reason

JULY 1979 $2.00

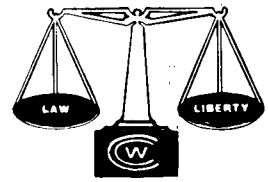
Robert Bork on Defending Capitalism

MURDER IN JONESTOWN

MURDER IN UTAH

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Why Millionaires Legally Owe No Taxes



TRUSTS
ESTATE PLANNING
PLUS

LEARN I.R.S. AUDIT PROCEDURES
FREEDOM OF INFORMATION ACT
TAX ASPECTS OF A TRUST
OFFERS OF COMPROMISE

MR. and MRS. CITIZEN UNDERSTAND HOW NOT TO OVERPAY THEIR TAXES

All this and more presented by

BARBARA HUTCHINSON

30 Years of Tax Research and Educational Field

CITIZENS COURTROOM WORKSHOP

JULY 13th - 14th - 15th
DAVENPORT, IOWA 52807

$90.00 for the entire seminar or $3.00 for Friday Evening - $50.00 Saturday session

$50.00 for Sunday session

Tax Deductible

If submitting check, make payable to

Citizens Courtroom Workshop

SEMINAR RESERVATIONS — 110 WEST C. STREET, SUITE 1040, SAN DIEGO, CA. 92101 (714) 238-1344
HOTEL RESERVATIONS — RAMADA INN — 6263 NORTH BRADY ST., DAVENPORT, IA. (319) 386-1940

A forum for analysis and commentary, with an emphasis on individual liberty.

reason

July 1979/Vol. 11, No. 3

FEATURES

PLEADING JIM JONES' CASE
Jim Jones had friends in high places. Before the Jonestown violence they looked only at his socialist vision. Now they look for excuses.
By Thomas Winslow Hazlett 18

MAN VS. STATE
This was no ordinary murder. The killer was the State; the victim, a man who insisted on educating his children himself.
By Gerald M. King 24

WHO WILL SPEAK FOR CAPITALISM?
Corporate leaders must attend to the business of defending the free market, for we can't expect much from intellectuals on this score.
By Robert H. Bork 29

THE NEGLECTED PROBLEM OF UNATTACHMENT
People are without partners in growing numbers. The obvious fix? Government matchmaking.
By Charles Maling 32

ANTICOMMUNIST? YES. COLD WARRIOR? NO.
Robert A. Taft was "Mr. Republican" when the Cold War was in full swing, but he placed individual liberty at the heart of his foreign policy.
By Michael McMenamin 34

Socialist savior 18

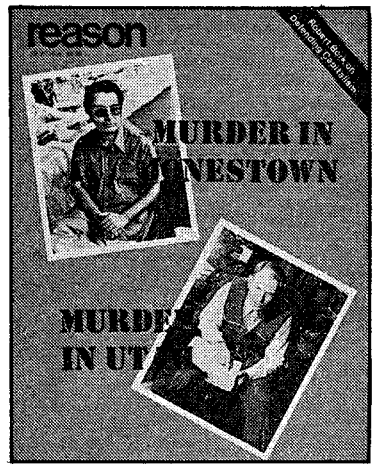
Utah martyr 24

Non-cold warrior 34

DEPARTMENTS

EDITORIAL/On the Decline of US Power 6
VIEWPOINT/Eateries: Whom Do You Trust? 41
TAXES/Budget Wars 42

EDITOR'S NOTES 4
LETTERS 8
BRICKBATS 10
TRENDS 11
MOVIES 43
BOOKS 44
RUDEBARBS 50
CLASSIFIEDS 51



REASON is published monthly by the Reason Foundation, 1129 State St., #4, Santa Barbara, CA 93101. Tel. (805) 963-5993. Second class postage paid at Santa Barbara, CA and at additional mailing offices. Postmaster: Please send Form 3579 to REASON, Box 40105, Santa Barbara, CA 93103. Copyright © 1979 by the Reason Foundation. All rights reserved. Opinions expressed in signed articles or columns do not necessarily represent the view of the editors.

CORRESPONDENCE: Address comments, manuscripts (for return, please include a self-addressed, stamped envelope), classified ad orders (with full payment) and subscription orders to REASON, Box 40105, Santa Barbara, CA 93103. Two copies of manuscript required. Author information sheet available on request. Address mail concerning display advertising to Media Selection Corp., Box 296, Goleta, CA 93017.

CHANGES OF ADDRESS: Please allow six weeks for change of address. Send address label and new address to Circulation Dept., REASON, Box 40105, Santa Barbara, CA 93103. Requests for missing issues due to late notice of change of address, or older than two months from current date, will not be honored unless accompanied by payment.

ISSN 0048-6906

reason

EDITOR
Robert Poole, Jr.

ASSOCIATE EDITOR
Marty Zupan

SENIOR EDITORS
Tibor R. Machan
Manuel S. Klausner

CONTRIBUTING EDITORS
David Brudnoy
James Dale Davidson
Edith Efron
Mark Frazier
John Hospers
Eric Mack
Henry G. Manne
William Marina
Karl Pflock
Alan Reynolds
Murray Rothbard
Thomas Szasz

FOREIGN CORRESPONDENTS
Prakash Aswani/Middle East
Anne Brincker/Denmark
V. R. Forbes/Australia
Ole-Jacob Hoff/Norway
A. Michael Keerma/Canada
Riccardo La Conca/Italy
Henri LePage/France
Leon M. Louw/South Africa
Guy de Maertelaere/Belgium
H. Joachim Maitre/West Germany
N. G. Molinelli/Argentina
Michael van Notten/The Netherlands
Pauline Russell/England

DEPARTMENTS
Tim Condon/Taxes
Thomas Winslow Hazlett/Brickbats
John Hospers/Movies
Randall K. Hylkema/Rudebarbs
Jim Lewis/Spotlight
Robert Poole, Jr./Trends
Mark Tier/Money

ART DIRECTOR
Nanette Boyer

TYPESETTING
Jean Graphics

STAFF
Annarose Aker
Elizabeth Anderson
Ashley Brooks
Merton Fine
Suzi Rolland
Louis A. Rollins

ADVERTISING: For display advertising contact Bill Burt at [805]963-5993, 1129 State Street, #4, Santa Barbara, CA 93101. Obtain rate card before sending copy. Send classified ad orders with full payment to Reason Classifieds, Box 40105, Santa Barbara, CA 93103.

SUBSCRIPTION RATES: Single copies, $2.00. Subscriptions: one year (12 issues) in the United States, $19.50; 2 years, $34.00; 3 years, $45.00. Other countries: add $2.00 extra per year.
BACK ISSUES: Write for back issue list for current prices. Volumes 1-4 are available on microfilm from University of Southern California Library Micrographics Dept., University Park, Los Angeles, CA 90007. Volumes 5 and up are available from Xerox University Microfilms, 300 North Zeeb Road, Ann Arbor, MI 48106. Indexed in *Historical Abstracts* and *America: History and Life.*

editor's notes

• **FOUNDATION REPORT.** The Reason Foundation will host a research seminar in political philosophy this summer. Part of the Liberty Fund's program, the seminar will bring 17 resident fellows to Santa Barbara for 10 weeks of scholarly research and seminars with visiting senior scholars from the University of Southern California and the University of California at Los Angeles, at Santa Barbara, and at Berkeley. The project will be directed by Tibor Machan, the Foundation's educational programs director.

The Foundation has selected three significant essays as the first to be reprinted in its REASON ESSAYS series: Professor Antony Flew's "Libertarians vs. Egalitarians," Professor Bruce Goldberg's "Natural Law: Some Considerations," and Professor Edward A. Hacker's "Rationality vs. Dehumanization." These works were previously published, respectively, in *Encounter, Modern Age,* and *Philosophy and Phenomenological Research.* Suggestions for other significant but not widely known essays for inclusion in this series are welcome.

As soon as funds permit, the Foundation will launch a companion project—REASON MONOGRAPHS—consisting of important original essays on topics concerning the philosophical foundations of a free society. Contributions to support this project would be welcomed.

• **PUBLICITY.** Editor Robert Poole's recent newspaper column on privatization of building codes has been inserted into the *Congressional Record* by Rep. Ron Paul. And his column on privatizing fire departments and other city services was quoted from by Richard Lesher, president of the US Chamber of Commerce, in his recent "Voice of Business" newsletter. Poole's column, "Fiscal Watchdog," covers new ways of saving money for local taxpayers. It is available at no charge to any newspaper requesting it. Information and a sample copy are available from the Local Government Center, 221 West Carrillo St., Santa Barbara, CA 93101.

• **CORRECTION.** An error crept into Theresa Hale De Soubiese's article, "Surviving the Blackboard Jungle," in our May issue. On page 32, line 26 read: "Don't stand up in front of the classroom to lecture. Ask questions, conduct a discussion, or *teach*." This passage *should* have read, "Don't stand up in front of the classroom to lecture, ask questions, conduct a discussion, or *teach*"—a completely different meaning. Our apologies to Ms. De Soubiese and to our readers who may have been misled by this error.

• **MEDIA.** The *New Republic* continues to amaze. The April 21 issue leads off with a brilliant presentation of the case against Amtrak, entitled "A Subsidy for Sentiment." It is solidly factual, drawing on a number of studies, including work by the National Taxpayers Union. Coming on the heels of other recent free-market articles in *TNR*, it makes one wonder what American liberalism is coming to.

• **NEW JOURNAL.** We note with interest the debut of *Lincoln Review*, a quarterly journal aimed at the black middle class. Its first issue includes articles by Prof. Walter Williams ("Racism and Organized Labor") and Roy Innis ("How to Save Inner-City Schools"), among others. In his introduction of the journal, editor J. A. Parker notes that "blacks are now having to break with the coalitions of the past" and to take stands on issues such as energy and the environment "which, traditionally, were not considered to be 'black issues.'" *Lincoln Review*'s editorial advisory board includes John A. Davenport, Edith Efron, Georgie Anne Guyer, William H. Peterson, and Prof. Walter Williams, among others. Further information is available from the Lincoln Institute for Research and Education, 1735 De Sales St., NW, Suite 500, Washington, DC 20036.

• **UPDATE ON OTRAG.** A *New York Times* story from Bonn, dated April 27, states that the government of Zaire has renounced part of its agreement with OTRAG, the private firm testing low-cost rocket launchers from its territory (see "African Deception," REASON, July 1978). The Zairean embassy stated that the firm was directed to halt its experimental and rocket-launching activities. The action came after heavy pressure from the West German government, itself under pressure from the Soviet Union and several African states. An OTRAG spokesman, who had not yet received official word of the action, acknowleged that "the political climate has become difficult recently and we have looked to other solutions outside Zaire."

—R. P.

"Will you invest $2.25 a month to protect everything you have ever worked for?"

Will you invest $2.25 a month to protect everything you ever worked for?

When I ask people that question, they look at me as if I were crazy. The question is almost too silly.

Let me put it another way. Suppose I call on you every couple of weeks, for about half an hour. Suppose I bring along, each time, two or three of the world authorities on money. One week I bring Roger Klein and William Wolman. They tell you, *in advance,* what they expect in the way of inflation for 1979. Would that visit be worth $1.13?

Two weeks later, I call on you again. This time I bring along Walter Perschke and Gerald Appel. Walter gives you his thoughts on gold for 1979. Gerald sums up his charts for you: what they presage for the market over the next two years. Would you pay $1.13 for that visit?

I am proposing to do just that for you, twice a month over the next year. Obviously, I can't afford to make a personal visit with my experts—not even if you paid us $1,000 for a half hour of our time. But I can bring you the *thinking* of two or three of them, every couple of weeks. Over the next year, I can cover *every* aspect of money management and investing—*the whole spectrum.* I can bring you the best ideas of some fifty or more of the shrewdest money men in the world. *And I am the only financial advisory publisher who can make that statement.*

Other financial letters give you the ideas of one or two men (often very good men). They charge anywhere from $50 to over $300—and sometimes they are worth it.

But I think we have a better way, and I want to see if you agree. We bring you *dozens* of experts. They cover every conceivable aspect of financial protection and growth. Yet we charge only a small fraction of what the others get. The *one* publication that brings you rich men's advice at everyday prices is . .

PERSONAL FINANCE
Inflation Survival Strategies

As the name implies, this financial advisory is actually two leading services now merged into one. Late in 1978, we were honored when its former owners selected us as the new publishers of the PERSONAL FINANCE LETTER. We lost no time in merging it with our own award-winning INFLATION SURVIVAL LETTER. Result: the resources of both . . . the *best* of both—at no added cost to you.

Two Dangers You Face—
And How PERSONAL FINANCE
Protects You Against Both

"Put your money away and forget it." That old saw no longer works. The dollar you had ten years ago is now worth 50¢. So I don't have to tell you the first danger we all face: this murderous inflation. It might get a little better. It might well get *a lot worse.* But it's here to stay, for the foreseeable future.

And the second danger flows directly from that: a deep recession, perhaps even a 1930's-style depression. It's only logical. When the value of our dollar keeps bleeding away, most people can't keep up. So they spend less . . . invest less. That means recession—or depression.

But please don't succumb to gloom and doom. You *can* survive, and even prosper. Don't forget: gold is worth *more than six times* what it was worth a decade ago. And don't forget: fortunes were made in the 1930's. Not by the people who sat paralyzed *with fear, but* by the men and women who saw the *new* opportunities, and *acted.*

This is the mission of PERSONAL FINANCE: to give you the edge you need to stay ahead in today's turmoil. We accomplish this in two ways—and, to the best of my knowledge, we are the *only* financial advisory that gives you coverage in both of these essential areas:

1) *NEW DEVELOPMENTS.* In every issue, "Capsule Advisory" brings you a crisp summary of what's going on in the stock and bond markets . . . where interest rates are heading . . .how the dollar and other currencies are behaving . . . the prospectus for gold and silver and other commodities—the whole picture, in just a few minutes.

2) *NEW IDEAS FOR YOU.* What good is mere information if you don't know how to put it to work? Many publications tell you what's *happening—but they don't tell you what to do.*

PERSONAL FINANCE does. Our experts guide you in *every* area of money management, from savings accounts to real estate to tax shelters. Rich men and women pay a fortune for the same guidance you get in every issue for a dollar and small change. (One of our contributors, Harry D. Schultz, charges private clients $2,000 an hour.) Some of the ideas and tactics our experts explored recently:

• 17 ways to make sure you aren't paying too much in real estate taxes • 6 ways to cut your borrowing costs • Taking the mystery out of stock charts. How to profit from them • 6 rules for buying and selling commodities—by 6 experts • Pitfalls of the cattle feeding tax shelter • 4 tips for writing off personal expenses • Buying your parent's home (*everyone profits*) • The myth of the Kondratieff business cycle • 3 retirement havens • Should you buy your own phones? How? • Food storage: a guide for the prudent. 7 companies that offer sample packs • How to sell your home without a broker • Which cars last longest? • Switzerland as a financial haven • 6 common types of fraud. 14 steps you should take to keep from being defrauded • The newest real estate tax shelter • How to pay *no* income tax this year—legally

Just one such article could pay for your subscription many times over—even open up a whole new investment opportunity for you. And here again, we show you *how.* PERSONAL FINANCE is registered with the SEC, so we give you *specific stocks and bonds* to buy or sell—or short. We give you the names and addresses of new services . . . discount brokers . . . banks that offer unusual advantages . . . survival products—anything and everything to give you an edge with your money.

Though we try to anticipate every question, readers do come up with some we haven't covered. So we serve them too, with "Answers to Your Money Questions." Please feel free to send any questions along. No charge, of course. It's just another service you receive as a member of our PERSONAL FINANCE family.

Try PERSONAL FINANCE at Half Price
—Entirely at My Risk

When I tell you that PERSONAL FINANCE gives you more, far more, than any other financial advisory, that isn't puff. But I don't expect you to take my word for it. Judge for yourself—and let me take all the risk.

Mail the half-price subscription coupon today. It entitles you to receive PERSONAL FINANCE for a full year—24 issues—for only $27. (That's half of our regular rate of $54 a year.) But the risk is all mine.

If at any time during the life of your subscription you decide that PERSONAL FINANCE isn't giving you all that I promise you and more, just drop us a line and ask for a refund. No need to explain. We'll send you a check for the entire unfulfilled portion of your subscription.

I realize that this offer is "wide open." But I'm not worried. I *know* what PERSONAL FINANCE will do for you. I only ask that you let me prove it, to your entire satisfaction. Just mail the half price coupon form now.

Sincerely,

R D Kephart

Save more! If you use PERSONAL FINANCE for either investment or tax guidance (virtually all of our readers use it for both), then your subscription is *fully tax-deductible.* For most of our readers, this has the effect of cutting their *real* cost about in half—down to about 50¢ or 60¢ an issue!

SAVE EVEN MORE!

I'll also send you the big *1979 PERSONAL FINANCE Record Book.* Worth $3.95, this "self-organizer" shows you exactly how much you're worth now, and how much when you retire. It's yours to keep, even if you cancel your subscription!

PERSONAL FINANCE Inflation Survival Strategies
P.O. Box 2599
Landover Hills, Md. 20784 9130

☐ Fine! Send me a year of PERSONAL FINANCE (24 issues) for *half price*—only $27. It's your risk. I may cancel at any time for full, prompt refund of the *entire* unexpired part of my subscription. I also get the new *1979 PERSONAL FINANCE Record Book*—a Bonus I can keep even if I cancel.
☐ I prefer your shorter trial—6 months (12 issues) for $14. Same refund guaranteed, but I don't get the free *Record Book.*
☐ Check for $_____ enclosed.
☐ Charge my credit card.
☐ AMEX ☐ MC ☐ VISA
Card No._____ Expires _____
My Signature _____
Name _____
Address _____
City _____ State _____ Zip _____

SA939

On the Decline of US Power

editorial

FROM DIPLOMATS AND BUSINESS LEADERS to columnists and pundits, nearly everywhere these days one hears cries of alarm. The fall of the shah, the latest OPEC price hikes, the further decline of the dollar—all are cited as evidence of the growing loss of American power and prestige in the world. It's "the most talked-about subject in the world," the managing director of Manufacturers Hanover bank in London told *Business Week*, which recently devoted a special issue to "the decline of US power."

Whatever the merit of these complaints, the reaction of our leaders on the Potomac is far more worrisome. Rather than coming to grips with the *reasons* for this country's fall from grace, the government's principal reaction has been saber rattling. Defense Secretary Harold Brown set the tone: "Protection of the oil flow from the Middle East is clearly part of our vital interest," he declared in March. "In protection of those vital interests, we'll take any action that's appropriate, including the use of military force." Added Energy Secretary James Schlesinger, "The US must move in such a way that it protects those interests, even if that involves the use of military strength or of military presence." A few days later an unnamed State Department planner told the *Wall Street Journal*, "It is now more widely perceived that military power is a legitimate tool in support of our economic interests."

As if to bolster this tough talk, the campaign to revive the draft has gone into high gear. Once-forgotten politician John Connally is making a rapid comeback, based on his image as a "strong leader" who could bully foreign leaders around. And out on the streets, for the first time in a decade, the word *war* is on people's lips.

Why this return of jingoism? It appears to be a reaction to (a) the inability of US leaders to control events in other countries, (b) our ever-growing dependence on oil imports, and (c) the continuing decline of the dollar. When the dollar was the world's strongest currency and oil was cheap, and (apparently) the CIA effective at instigating or preventing military coups, the world appeared to be secure under the sway of a benevolent American empire. But, for better or worse, those days are gone.

There are *some* valid reasons for worry. The United States is, after all, importing 46 percent of its oil (though only a bit more than a third of that comes from the Arab countries). And those imports are potentially vulnerable to cutoffs by producers, hostile action by terrorists, or blockades by the Soviet navy. The dollar buys less and less in world trade, having depreciated 50 percent against the mark and 44 percent against the yen in the past nine years. As one result, US firms are increasingly losing business to foreign multinationals. These facts—not the CIA's inability to intervene with impunity—deserve our attention and concern.

And when we examine them closely, what do we find? In every case, it is *US government policy* that has created the problem. Before the 1973 OPEC embargo and price increase, only 26 percent of US oil was imported. The government's response to those events was to create a huge new energy bureaucracy, slap price controls on domestic oil, and create a complex entitlements program to compensate crude-short refiners. The predictable result has been to curtail US oil production and—literally—to tax US producers to subsidize OPEC. With demand for oil continuing to grow (albeit more slowly), the only possible result was an increasing percentage of imports—*as a direct result of government policy.*

Likewise, it is widely acknowledged that the tremendous decline in the value of the dollar is due to Washington's continued inflationary policies. Since 1975 US inflation rates have consistently exceeded those of Germany, Japan, and Switzerland, whose officials have had the courage to resist political pressures for a perpetual free lunch. US tax policies are among the most anti-investment in the industrial world, leading to appallingly low rates of saving and investment. Thus, the productive capacity of US industry continues to erode, relative to that of other advanced countries. Finally, US multinationals are uniquely hobbled by a plethora of "do-gooder" regulations—antiboycott, antibribery, and environmental—making them all the less competitive in world markets.

Those are *real* reasons for a declining respect for America. And they are things that can be corrected. Overdependence on oil imports could be alleviated by leaving domestic oil companies free to explore and produce—not kept in harness by the carrot of "phased decontrol" and the stick of a "windfall profits" tax. By allowing free-market oil pricing, new sources of supply—like tertiary recovery from old wells, synthetic oil from coal, and maybe even shale oil—would one day become economically feasible. Streamlining nuclear power plant licensing would also help reduce dependence on oil. Speeding up natural-gas decontrol would hasten development of the vast reserves of gas in the geopressurized zones and of methane in coal deposits.

An all-out effort to reduce inflation, by halting Federal Reserve efforts to manipulate the economy by changes in money-growth rates and by requiring Congress to cut spending to match revenues, would restore confidence in the dollar. A return to some form of gold standard—so we wouldn't have to rely on the word of politicians and bureaucrats—would be even better.

Abolition of the capital gains tax and reductions in corporate taxes in general would spur investment in badly needed modernization of our decaying industrial plant. And removing the absurd restrictions on overseas corporate operations—as if it was any of *our* government's business—would give US firms a fighting chance to compete against the likes of Japan, Inc., and an increasingly united European community.

America once *earned* respect in the world. Its people knew how to produce—and set an example for the world. Its dollar was literally as good as gold. Though strong enough to defend itself, for most of its two centuries it minded its own business rather than everyone else's. Most of all, its implementation of political liberty was an inspiration to people everywhere.

To restore that kind of respect we must make those conditions once more the reality. The last thing we need is a return to conscription, saber rattling, and gunboat diplomacy. Napoleon was respected—because he was feared. Jefferson was respected—because he inspired men with a practical vision of liberty. It's high time we told today's would-be Napoleons what kind of respect *we* have in mind.

Robert Poole, Jr.

WE'RE THE NEO-LIBERALS

You've heard of the neo-conservatives, of course. They're getting a lot of attention these days, railing at the excesses of government regulation, ridiculing the bumbling attempts of liberal politicians to do good.

We've been known to criticize big government too—in fact, Anthony Lewis of *The New York Times* says, "The only journal I know that pays regular attention to the bureaucracy and chronicles its excesses is *The Washington Monthly.*"

Because we scrutinize the government, many people have called us neo-conservatives. We're not. At *The Washington Monthly* we like to think of ourselves as "neo-liberals." In other words, we share the conservatives' willingness to face up to the faults of government, but we're not willing to throw up our hands and walk away. The trick, for us, is to figure out how to make the government work again so that we can, with humanity and skill, face up to the problems that confront us—from controlling inflation to finding jobs for black teenagers. We've published articles like:

"The American Class System and How to End It"
"New York: The Liberals' Vietnam"
"Bring Back the Spoils System"
"Let the Aliens In"
"Flim-Flam, Double-Talk and Hustle: The Consulting Industry."

You won't agree with everything we say, but we promise you all the fresh thinking—and humor—we can muster. Subscribe today and see for yourself. You'll get a one-year subscription and a free copy of our 348-page book, INSIDE THE SYSTEM, ($3.95 value) which *The Washington Star* has called "fascinating and revealing"—all for only $9, less than half the regular subscription price.

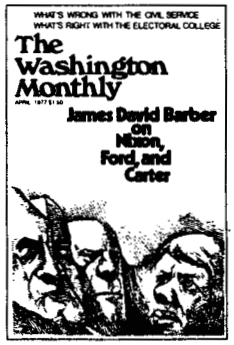
Please enter my subscription to ***The Washington Monthly*** for one year at **$9** and upon payment send my ***free*** copy of **INSIDE THE SYSTEM.**

☐ Payment Enclosed
☐ Bill Me

Please charge to:
☐ Master Charge
☐ Visa

Name _____
Address _____
City _____
State _____ Zip _____

Interbank # _____ (Master Charge only)
Card # _____
Card Signature _____ Expire Date _____


WHAT'S WRONG WITH THE CIVIL SERVICE
WHAT'S RIGHT WITH THE ELECTORAL COLLEGE
The Washington Monthly
James David Barber on Nixon, Ford, and Carter

The Washington Monthly, 1611 Connecticut Ave. NW, Washington D.C. 20009 (202) 659-4866 **RE91**

letters

Limiting vs. Balancing

I view the drive for a balanced-budget amendment with some misgivings. While I am sure it occupies a great many sincere tax resisters, it evades the real issue, which is spending. Our giant benevolent brother could take *all* our income to "balance the budget." While he would have to provide us with subsistence—food, housing, and transportation to work—no choices need be offered.

I suggest, therefore, an amendment to limit spending as more appropriate. To gain wide support there would have to be agreement on some range of limits. If you believe, as I do, that no new spending programs should be initiated, that would be the first item. If you believe, as I do, that the budget of the current year should never be increased, that could be the second item. These two provisions alone would, in my opinion, halt inflation, for the simple reason that under such a limit any inflation would reduce the real incomes of all the recipients, which, of course, would be unthinkable.

If my understanding of economics is correct, however, they could increase their incomes now by deflation. To prevent that, the dollars would have to be convertible to gold at the price prevailing at the time of ratification and at the same rate thereafter. This could be the third provision. If you believe, as I do, that the current budget is too high, a fourth provision could be included. Without undue hardship, the budget could be reduced by one percent a year. I assume that the giant benevolent brother could be comfortably shrunk to one-third his current size. Then the one percent decrease could continue for 67 years following ratification. As Milton Friedman recommends, all recipients should be reduced equally to reduce squabbling.

Frank L. Skiles
Hamilton, MT

EARN
INTEREST ON YOUR GOLD

No better way has been found to protect purchasing power (or savings) than to defend it with gold. But, have you ever wondered what is the source of gold's purchasing power?

Government decree?

International tension?

These are but artificial and temporary factors. The primary and major ingredient of gold's purchasing power is the productive ability of rational people. And the gold that you keep lying around, collecting dust and storage charges, represents the productive ability of life-assertive people - unused, disintegrating; and a whole world is dying without it.

We are trying to reclaim that ability from the darkness of hiding places and put it to work building a society where freedom prevails.

Learn how to earn interest on your gold, send four US First-class stamps to:

Anthony Hargis & Co.
1515 West MacArthur Blvd.
Suite 19
Costa Mesa, CA 92626

Remembering the Left

Much in the April issue is commendable; however, I am indebted to the patience and perspicacity of Tibor Machan [Editorial] for reading the *New Republic* and unearthing the call to intellectual arms that Henry Fairlie issued to all the little lefties.

Traveling in Objectivist/Libertarian/Anarchist circles has reduced, somewhat, the rages to which I was subjected when forced to attend graduate school and associate with the statists inhabiting academia. One so soon forgets! Now, Ayn Rand is being cited as a Leader of the People, by the flaming left, no less, and I can only conclude that this genre is getting nervous. One look at legislative inertia, however, indicates how much work we have to do before the Pharaohs in Washington will let their people go.

Years ago, Leonard Piekoff indicated that the Great Reconciliations of philosophy would occur by someone attempting to combine opposing works. Two of these reconciliations were St. Thomas Aquinas handling Plato and Aristotle; Kant fielding Descartes and Hume. When Mr. Fairlie sits down with *Atlas Shrugged* in one hand and *Das Kapital* in another, we'll know we've won.

Howard McConnell
Evanston, IL

Laissez-Faire for Space

REASON is to be congratulated for its excellent issue on the commercialization of space [April]—especially the article by Robert Poole.

I (and, I suspect, most libertarians) are fascinated by this topic, and I hope REASON will continue to give it coverage. However, it is important to distinguish on this topic between the role of a general magazine of information and opinion such as REASON and the role of a specifically political organization such as the Libertarian Party.

It is imperative for libertarians to realize that the only proper *political* action with regard to space is to demand the establishment of laissez-faire—get the government out of space exploration and exploitation and keep it out! I suggest that the LP explicitly adopt a position calling for the abolition of NASA; the immediate

privatization of the space shuttle; the end of all government subsidies, regulation, or involvement in space exploration, exploitation, and colonization; and a strict policy of government noninterference with regard to private space ventures.

As Poole emphasized, if government will only get out of the way, private entrepreneurs will develop outer space in a balanced, economic, and productive process. The only proper role in that process of a political organization, such as the LP, is to demand loudly and clearly that government get out of the way.

David H. Miller
Stanford, CA

Rhodesian Correction

So pervasive are the omissions and distortions of the press that they infect even libertarian publications—unknowingly, yet the effects are there.

The May issue [Trends] has a heading "Tardy Correction," saying that the Rhodesian legislature has "at long last abolished all legally mandated racial segregation," including in schools, hospitals, and land. The "at long last" seems to imply that it should have been done long before. But this is, to say the least, controversial, given the situation existing there.

Schools. Rhodesia contains about a quarter of a million whites and 6½ million native Africans. The tax burden for education in Rhodesia falls largely on the whites—less than 4 percent of the total population. They have done much to provide education for natives, but besides the enormous financial problems of educating everyone, there are linguistic problems: many natives don't understand English, and there is not one native language but many. Education has been segregated up to now (because of the language problems) so that any education worthy of the name could survive at all....

Hospitals. Hospital care has hitherto been segregated not because of race per se but because of differing standards of sanitation and other habits (such as wailing loudly when ill) between the races. But the separation does not mean that hospitals for Africans are inferior. Some "black" hospitals contain equipment that "white" hospitals do not possess, so that many whites are operated on in "black" hospitals. Moreover, in health as in education, most of the tax burden through the years has been borne by the whites.

Land. This is the most misleading of all. The story is a long one, but let me take one example. Some years back the Native Land Husbandry Act was passed—"white interference with lands reserved for blacks." But consider: traditionally there was no private ownership of land; it was owned communally by the tribe. The traditional mode of cultivation was to till a patch of ground until its fertility was exhausted, then move on to another patch. This worked well enough at the turn of the century when there were half a million native Africans there; but now, thanks to European medicine, there are over six million. No virgin land was left; natives were ploughing the same land over and over, and no steps were taken to protect the rapidly eroded land....

The solution adopted was to entrust the responsibility for looking over each piece of land to specific individuals, who saw to it that the plots were contour-ridged and other conservation measures taken to prevent erosion. But for the much-vilified Land Husbandry Act, the entire land surface of all the reserves (land reserved exclusively for blacks—almost half the land in Rhodesia) would have been completely destroyed within a decade. Yet this act is now used as "proof" that all white Rhodesians are rabid racists. White Rhodesians may have violated the libertarian lexicon of virtues by providing the natives too much welfare and medicine, causing a

(Continued on p. 48.)

How To Slash The Cost Of Your Mortgage Loan By 56%

Many people don't realize it but the interest on your mortgage loan will often cost more than your house! For instance, if you buy a $75,000 house with a long-term $60,000 mortgage at 10%, the interest on the loan will come to $129,600—a staggering 72% more than the house itself.

Therefore, seemingly minor differences *in the terms you choose for your mortgage loan* will have a major impact on how much interest you pay. Indeed, 3 of these "minor" differences may *save you upwards of 56% of the interest*—which would put tens of thousands of dollars back in your pocket.

A special new Report from the HOMEOWNER'S MONEYLETTER, *How to Save Thousands on Your Mortgage Loan*, explains in clear, non-technical language...

- 3 specific ways to set up the terms of your mortgage loan to achieve major savings (2 of these ways are simple and require no negotiation; the other is a matter of brief negotiation with the bank).
- Precisely how much you can expect to save. With a $60,000 mortgage, you can slash your interest payments from $129,600 to $56,100, an amazing $73,500 savings.
- Why structuring your loan the right way will build up your equity far faster, in addition to saving you money on your interest. (If you're considering a $60,000 mortgage, you can have $9,200 more equity built up after 5 years...$24,200 more equity after 10 years...than you would without these methods!)
- One method to achieve major savings and faster equity growth especially suited for people on a tight monthly budget.
- How to negotiate a lower interest rate at the bank—using two powerful weapons most people don't realize they have.

Make no mistake—these are financially conservative methods that any home buyer can use. They will maximize your interest savings and financial security, build up your equity faster, and allow you comfortable monthly payments in the bargain.

FREE BONUS

This special Report is yours FREE when you subscribe to the HOMEOWNER'S MONEYLETTER—the only publication anywhere designed to help you manage your investment in your home for maximum profit, pleasure, and economic security.

SATISFACTION GUARANTEED

A one-year Subscription to the HOMEOWNER'S MONEYLETTER is only $24. A three-month Introductory Subscription is only $10. Either way, you're fully protected by our unconditional 30-day money-back guarantee. Furthermore, your subscription is fully tax-deductible if you use the MONEYLETTER for business or investment purposes.

For your free copy of *How to Save Thousands on Your Mortgage Loan* and your subscription to the HOMEOWNER'S MONEYLETTER, return the coupon below. We'll rush the Report out to you within 24 hours.

HOMEOWNER'S MONEYLETTER RE-1
Route 3, Box 127, Shelbyville, Indiana 46176

Please send my Bonus Report, *How to Save Thousands on Your Mortgage Loan*, and start my subscription to the HOMEOWNER'S MONEYLETTER at once.

I understand that I am protected by an unconditional 30-day money-back guarantee, if I'm not 100% satisfied. In any case, the Bonus Report is mine to keep. My check or money order is enclosed.

☐ 12 issues, 1 year $24. (I save $16) ☐ 3 issues, 3 months $10.

Name _____

Address _____

City _____

State/Zip _____

The subscription is tax-deductible, if used for business or investment purposes.

© 1979, HOMEOWNER'S MONEYLETTER

brickbats

☐ **The Hollywood trial** of Marvin v. Marvin has terminated in as bizarre a fashion as it began. While Judge Arthur Marshall bounced Miss Triola-Marvin's claim of an explicit (or implied) contract, he awarded her a consolation prize of a grand-a-week for two years. The $104,000 nonalimony is "for rehabilitation purposes,. . . to reeducate herself and to learn new, employable skills." This prompted many to wonder why she should ever want to switch from utilizing her old ones. Also mysterious was the position taken on the trial by the professional liberation crowd. NOW officionados expressed vitriolic support for the lady in the case, untroubled by the seemingly embarrassing spectacle of a female so helpless she could not negotiate a contract during her tour of service and so child-like that she could not care for herself thereafter.

☐ **In a related** but less-heralded breakthrough for the notion of sexual liability, it has been revealed that a male patron of Garner Ted Armstrong's popular Church of God feels entitled to a $180,000 bonus for his six years spent in sexual abstinence on the suggestion of church officials. Because one church doctrine forbade sex outside the bonds of holy wedlock and because another eliminated the possibility of remarriage, the divorced Gary Bagley, 45, spent six years in a cold shower. Bagley's statistical calculations must be considered quite ambitious; they break down to $30,000 per year, about $600 per week, or (taking Sundays off) a C-note per sexless night. That must be a handsome remuneration for striking out; many of us might be wealthy if so rewarded.

☐ **If your Easter vacation** was uncharacteristically pleasant, it just might be explained by the lack of governmental supervision. Seemingly, the entire US Congress was out of the country. Traveling on $240,000 of "free" money, the D.C. statespersons boogied all across the globe with the knowledge that their "fact finding" will contribute to world peace and prosperity in the immediate future. A full 115 House and Senate servants dedicated themselves to this arduous mission, "visiting at least 18 foreign countries, whose capitals" according to UPI "are noted for pleasant weather at this time of the year." Top choices: Peking, Moscow, Geneva, Paris, Berlin, Brussels, Prague, Dublin, Tokyo, Cairo, and Jerusalem. Unfortunately for the health of our nation, Senate Minority Leader Howard Baker was unable to partake of the springtime orgy. His Air Force-chauffered plane to China was canceled "two hours after Baker made a speech demanding a special prosecutor to look into President Carter's peanut warehouse finances." Which is so very stupid. Does the White House really believe that a leading US senator would be influenced do any less than his democratic duty just to fly on government jets?

☐ **The Department of Health**, Education and Welfare attempted to "cover up" the true cost of its birthday party. The festivities were to "celebrate" HEW's 25th anniversary in 1978, an event you might have seen millions of thankful Americans rejoicing over all across the nation. Responding to a Freedom of Information suit filed by the Associated Press, HEW would reveal only $15,000 in tax monies devoted to the cause. Yet an inside leak claimed the true amount to be over $100,000. After waiting 10 months for the information it had requested, the AP broke this news on April 9; on April 10 we got the HEW admission. HEW had indeed squandered six figures in taxpayers' blood on the gala event, which featured booths, exhibits, concerts, and a special guest appearance by Sesame Street's Big Bird. Which, from the viewpoint of the rest of America, was exactly what we got for our money as well.

☐ **The Three Mile Island** Nuclear Catastrophe, as the press so dutifully informed us, has indeed contributed to the premature deaths of thousands. By providing the intellectuals in the communications media with a piggyback news extravaganza to the highly promoted talkie *The China Syndrome*, starring nuclear expert Jane Fonda, it has panicked the politicos into closing several safely functioning nuclear plants, thus stoking the flames of the alternative: fossil-fuel air pollution plants. As you may have heard, burning oil tends to favor cancer of the lungs; burning coal, not to mention the cruel fate of those who must chisel it from the earth, tends to do even worse. But the Harrisburg Holocaust, which distributed the radiation of one or two dental x-rays (without charge) on the population immediately surrounding the "near-meltdown," only superficially appeared without victims. What its physical fallout could never damage, its political fallout will surely destroy. Within four weeks of the "disaster," California newspapers were running headlines of predicted summer black-outs; the nuclear-fueled Arroyo Seco plant outside of Sacramento had been closed as a "precaution." To add further insult to the pygmy-brained press coverage was the startling fact that the actual issue was so rudimentary that even the preposterous *National Enquirer* managed to get the straight scoop. Its headline trumpeted the "THREE MILE HOAX" and, in-between stories on dogs with E.S.P. and the truth about Farah Fawcett's personal creme rinse formula, assailed "legitimate" news sources such as *Newsweek*, which was burping up innuendos such as: "the episode came precariously close to turning into Everyman's nuclear night-mare—an out-of-control reactor spewing radioactivity into the countryside." Strangely, a concurrent news item of far greater bodily harm didn't even make its way into *Newsweek*: on April 10, 1979, 50 people (45 students, 4 teachers, and a driver) were killed in a school bus near Zamora, Spain. The event merited a mere three inches on the sixth page of the *Los Angeles Times* and prompted no "precautionary" shut-downs of school busing programs here in the land of the free.

☐ **It will hardly take** this column to inform that the exquisite energy policies of the past eight years have finally gone belly-up. Project Independence, President Nixon's most obnoxious legacy, gave us tremendous mandates and mountain-moving goals. And price controls. The end of today's road is complete impotency in the face of Arabian whim. With his back to the wall, President Carter has now admitted the hopeless inanity of price controls on oil (which were a fundamental plank of the "moral equivalent of war") and offered to decontrol. Yet the ragamuffin has attempted to stuff Senator Kennedy's screaming larynx with a "windfall profits tax." The president giveth and the president taketh away. This can only be explained as a sort of neurotic delight; it is much the same as prescribing foreplay without sex. You acquire all of the incentives but none of the rewards. Little wonder Billy's brother spends so much of his time silently lusting.

—Thomas Winslow Hazlett

trends

More Broadcasting Deregulation

Bit by bit, government control of radio and TV is being chipped away. In recent weeks three more bricks in the regulatory structure were loosened or knocked out, one by the courts and two by the regulators themselves.

First off, the US Supreme Court ruled 6-to-3 that the Federal Communications Commission exceeded its authority in 1976 when it ordered cable-TV systems to provide "public access" to several channels at no charge. Forcing cable operators to do this deprives them of "editorial discretion" over their programming, and such deprivation cannot be justified under the Communications Act of 1934. In so ruling, the Court upheld the decision of a federal appeals court (see Trends, May 1978). Unfortunately, the ruling is expected to affect only new cable systems; most existing systems have the access rules firmly embedded in their locally granted franchise agreements.

The second development concerned the FCC's limitations on cable-system operations—one rule limiting most cable to the importation of only two "distant" signals and another restricting which programs cable systems can offer in urban areas (see Trends, May 1979). On April 25 the FCC issued a "notice of proposed rulemaking" stating its intention to abolish these restrictions, as recommended by its cable bureau. The move would clear the way for a major expansion of cable-TV, leading to many more satellite-using superstations.

Within the next six months the FCC may largely deregulate radio. At a Commission meeting in May its staff presented findings that most radio stations are well below its ceilings for commercials and well above its minimums for news and public affairs. The agency had been expected to implement a deregulation experiment freeing about 20 percent of stations from controls, but commissioner James Quello says the new findings give a strong argument for "deregulation without experiment," a view echoed by chairman Charles Ferris. Before taking action, there will be a six-month public comment period. The National Association of Broadcasters has stated that the new data "demonstrate that the radio industry can be deregulated immediately in all markets without any loss of service to the public."

And that's just the beginning. Rep. Lionel van Deerlin has introduced a new version of his communications deregulation bill, and it's considerably better than last year's. It would virtually eliminate regulation of radio and cable-TV at once and of broadcast TV in 10 years. It would abolish the odious "Fairness Doctrine." In telecommunications, it would deregulate the non-AT&T long-distance carriers at once (a.:d AT&T, too, after 10 years). And unlike the 1978 bill, this one would no longer interfere with AT&T's business by forcing it to spin off Western Electric. Moreover, it would overturn a previous antitrust decision and allow Ma Bell to get into the data-processing business. Its only serious drawback is the imposition of "user fees" on broadcasters for use of the spectrum. But unlike the 1978 bill, this year's model pegs them much lower and does *not* funnel them into public broadcasting; at least the broadcasters won't be forced to subsidize competitors.

STUDIES IN ECONOMIC THEORY

Introducing a Distinguished New Book Series

CAPITAL, INTEREST AND RENT:
Essays in the Theory of Distribution
by Frank A. Fetter
Edited with an Introduction by
Murray N. Rothbard

This new collection of Fetter's essays systematically treats the fundamental problems raised by the Cambridge-neoclassical debate over distribution theory. Fetter had argued against capital as "produced means of production" and for an accounting concept of capital. Fetter replaced Ricardian differential rent with a "marginal productivity" concept of rent. In addition, he argued that time preference rather than the marginal productivity of capital determines the interest rate. In contrast to Fetter's incisive treatment, neoclassical theory has confused the determination of the rate of discount (interest rate) with the determination of that which is discounted (rents). Although the Cambridge-neoclassical debate on distribution theory has raised many important issues, neither approach has successfully resolved the fundamental problems. **Capital, Interest, and Rent** now provides the missing-systematic treatment.

408 Pages, Index
$12.00 Cloth, $4.95 Paper
($5.50 in Canada)

CAPITAL AND ITS STRUCTURE
by Ludwig M. Lachmann

Generally, economists have treated capital as a homogeneous aggregate "stock" or "fund," whose component parts are merely units of money value. Ludwig Lachmann provides an impressive exception to this traditional treatment. He provides an exacting and penetrating examination of capital resources as *heterogeneous* factors, intricately interrelated to form an economy's capital structure, and continually being reshuffled in response to the dynamic productive process. Lachmann approaches his subject by combining the work of Carl Menger, Frank Knight, and Friedrich Hayek. **Capital and Its Structure** details capital formation and adjustment as a continuous transformation immensely complex in its combinations and heterogeneous flow, and capable of coordinating the ever-changing plans of individual participants.

156 Pages, Index
$15.00 Cloth, $4.95 Paper
($5.50 in Canada)

For free catalog please write:
Cato Institute
Department R
1700 Montgomery Street
San Francisco, California 94111

Economic Fallout

The accident at the Three Mile Island nuclear power plant has rekindled debate over this form of power generation. One issue in particular has been given increased attention: the question of liability for nuclear accidents.

REASON has frequently pointed out the injustice of the Price-Anderson Act, the federal law that limits liability for such accidents to $560 million. This law serves to subsidize the nuclear industry by reducing what it would otherwise have to pay in liability insurance premiums. Rep. Ted Weiss has introduced legislation to repeal Price-Anderson and make the industry liable for all valid damage claims.

Here's how it would work. At present the maximum liability coverage available to each plant from the two insurance company pools is $140 million. Beyond that, all nuclear plant operators have formed a cooperative in which each agrees to contribute up to $5 million for each reactor owned to cover further liability claims at any one plant. With 72 plants currently operational, that's another $360 million. The balance of $560 million is now the responsibility of the federal government (that is, the taxpayers)—but this balance would shrink to zero as more of the 90 nuclear plants now under construction come into operation. Weiss's bill would remove the $560 million ceiling, expanding the liability of the industry cooperative and including the assets of the plant, as well. It would also waive the 20-year statutory limit on nuclear-accident claims, to allow for long-term radiation effects.

As columnist J. F. ter Horst put it recently, such a move would tell the nuclear industry, "Put your money where your mouth is." Since nuclear power's safety record is, on the whole, excellent, it's high time the industry took full responsibility for its actions and stopped expecting its insurance costs to be subsidized by the taxpayers.

The nuclear industry has already received some $9 billion in federal subsidies —for reactor development, uranium enrichment, and waste storage. Although that's a lot of money and should never have been spent, it has not fundamentally altered the long-run economics of nuclear power. Spread over the 162 nuclear plants in operation and under construction, that extra $9 billion would increase their fixed costs by about 10 percent. (It costs about $1 billion to build an 1100-megawatt nuclear plant these days.) The government is planning to spend $6 billion more on uranium enrichment and waste storage over the next 15 years, but user charges will fully recover these costs from power plant operators.

The bottom line of all this is that, while federal support has played a big role in getting the nuclear industry established, it does *not* spell the difference between economic success and failure. The insurance subsidy can be ended, the $9 billion paid back, and the future $6 billion covered by user charges—and nuclear power would still be a viable component of the nation's energy production. A Gallup poll 12 days after the Three Mile Island accident found that, though concerned about safety, 63 percent of the public still thought it was either "extremely" or "somewhat" important to build more nuclear power plants.

Fiscal Revolution?

Each year the Joint Economic Committee of Congress puts out an Annual Report critiquing the president's Economic Report. For 20 years this Annual Report has reflected the view of liberal Democrats enamored with Keynesianism—government policies to stimulate demand, in hopes of ensuring prosperity.

This year's report is startlingly different. For the first time in 20 years it is unanimous; for the first time in 20 years it

Gold & Silver

You *know* why . . . But *Who*?

Liberty Coin Service has served the hard money investor with same day shipment, concise market reports, ***guaranteed*** delivery and authenticity, and ***lowest prices***. And we've been doing it since 1971. Isn't it time you began to deal with Liberty Coin Service?

Check **L C S** out. Call for our quotes, and compare **L C S** prices with those of your present dealer. You will find out how much you can save by dealing with **L C S**.

Or fill out the coupon to the right for a sample of our newsletter and our ***"Gold/Silver Information Packet."***

Liberty Coin Service OR
300 Frandor Ave. Lansing, MI 48912
(517) 351-4720

Please send me your ***"Gold/Silver Packet"*** * and a copy of your most recent newsletter.

name

street

city state zip

rejects Keynesianism; for the first time in 20 years it focuses on the government as the problem, not the solution. Government's "tax wedge" has choked off investment and reduced productivity, says the report. This is "supply-side economics" as developed by economist Art Laffer and popularized by journalist Jude Wanniski and Rep. Jack Kemp. Its conclusions are that government must restrain its spending, gradually reduce the growth of the money supply, and reduce the present barriers to investment. How? By liberalizing depreciation allowances, increasing investment tax credits, and reducing corporate tax rates, among other means.

The 1979 Annual Report "is in every sense a breakthrough," says the *Wall Street Journal*'s Paul Craig Roberts, "because it shifts the focus of economic policy from demand management to reducing the tax wedge." This "revolution in economic policy thinking" offers hope for long-overdue changes in government policies.

Mailers Fight Postal Expansion

In a move "designed to force publishers back into the postal system" (*Folio*, April 1979), the US Postal Service is attempting to redefine "letters." It has proposed that unaddressed circulars delivered to specific households be included in the definition of letters, therefore falling within the postal monopoly governed by the private-express statutes.

In the last several years, scores of companies have begun "alternate delivery systems" to deliver magazines to subscribers. To make these operations economically feasible (and therefore able to compete with subsidized second-class postal rates), the companies include advertising circulars along with the magazines, charging the advertisers for the service. What USPS wants to do is require such circulars—as "letters"—to be delivered only by mail, that is, the postal monopoly. That would put most alternate delivery firms out of business.

Enraged by this move, publishers and distributors are fighting back. The Magazine Publishers Association, the National Association of Selective Distributors, and the Direct Mail/Marketing Association have joined forces to lobby against the redefinition of letters. MPA senior vice-president Chapin Carpenter has announced that his organization is considering joining with other groups that are calling for repeal of the private-express statutes. Rep. Charles Wilson is planning hearings on this subject in the near future. NASD president John Sweeney has announced that "we at NASD do not intend to let the Postal Service illegally regulate us out of existence."

It's too soon to tell, but it may be that this newest assault on competition, combined with USPS's attempt to invade the electronic mail business (see Trends, June 1979), will generate enough lobbying power to dump the private-express statutes once and for all.

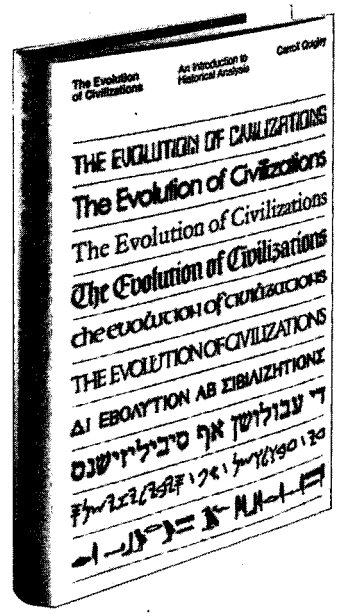
Winds of Change Hit Banking

The past five years have witnessed a competitive revolution in the banking business. Not only has competition proliferated among banks, savings and loans, and credit unions, but there has also emerged a whole crop of "near-banks" that are giving the thrift institutions a real run for their money. The result (besides an explosion of credit) is likely to be the virtual deregulation of consumer banking.

Much of the competition has come about from the efforts of institutions to get around existing regulations, especially the Federal Reserve's Regulation Q. To get around Q's prohibition on paying interest on demand deposits (checking accounts), a whole raft of new devices has been created: NOW accounts, telephone transfer accounts, credit union share drafts, and automatic transfer accounts.

Now Available:

The Evolution of Civilizations
An Introduction to Historical Analysis
By Carroll Quigley



A comprehensive and perceptive look at the factors behind the rise and fall of civilizations. Quigley examines the application of scientific method to the social sciences, then establishes his historical hypotheses. He identifies seven stages of historical change for all civilizations —mixture, gestation, expansion, age of conflict, universal empire, decay, and invasion—and tests his hypotheses with a detailed analysis of five major civilizations: the Mesopotamian, the Canaanite, the Minoan, the classical, and the Western. "He has reached sounder ground than has Arnold J. Toynbee"—*Christian Science Monitor*. "Studies of this nature, rare in American historiography, should be welcomed"—*American Historical Review*. Hardcover $9.00, Paperback $4.00.

LibertyPress LibertyClassics

We pay postage, but require prepayment, on orders from individuals. Please allow four to six weeks for delivery. To order this book, or for a copy of our catalog, write:
LibertyPress/LibertyClassics
7440 North Shadeland, Dept. J22
Indianapolis, Indiana 46250

To evade Q's savings account interest-rate ceilings, we have seen the creation of mininotes, floating rate notes, rising rate notes, pooled savings accounts, and money market funds.

In addition, the McFadden Act's prohibition on interstate bank branching is being circumvented (for loans) by the ability of banks to issue credit cards nationwide. Likewise, networks of automated teller machines—while forbidden to move *deposits* across state lines—can dispense cash without regard to state boundaries.

Finally, the newest competition is coming from such nonbanks as Sears, Roebuck and Merrill Lynch. Sears, via its Allstate Savings & Loan affiliate, is now offering to its 23 million credit card holders a check-processing service in conjunction with credit unions. It is also planning to sell $500 million in small-denomination notes directly to the public. *Business Week* quotes a banker as responding, "If that's not deposit-taking and they're not a bank, then I don't know what banking is." Neither does anyone else, these days. Merrill Lynch is now offering account-holders of $20,000 or more a way to write checks and make Visa card purchases using their margin accounts.

All of this competition is causing the thrift institutions to chafe at their regulatory burdens. More and more state-chartered banks, for example, are leaving the Federal Reserve system, so that they can earn higher interest elsewhere on their reserves. In the past six years 337 have quit, 152 of them in just the past two years. The drop-out rate is greatest in New England, where NOW accounts have led to intense competition and lower bank profits. The Fed's response was the proposed Monetary Control Act of 1979, to force all banks, not just federally chartered ones, to be members. Rep. Ron Paul cast the deciding vote to kill this bill when it was before the House Banking Committee in March, but a weaker version is expected to be introduced later this year.

In April a federal appeals court ruled that three of the end-runs around present regulations are illegal: banks' automatic fund transfers, S&Ls' automated teller machines in supermarkets and department stores, and credit unions' share drafts. That dumped the whole problem in the lap of a reluctant Congress. It's not at all clear what Congress will do, but House Banking subcommittee chairman Fernand St. Germain says he favors letting all financial institutions compete "on a straight price basis."

Regulation Q, meanwhile, seems headed for the dustbin of history. It is due to expire in December 1980 anyway, unless renewed. But the Treasury Department's Regulation Q Task Force has just recommended that it be scrapped, along with much of the remaining banking regulation. "Within the next three years we could have a dramatically restructured financial system," says Controller of the Currency John G. Heimann. In response to the growth of near-banks, he adds, "I would be inclined to free up regulations on banks, rather than penalize others." That view represents a welcome change in philosophy among government bureaucrats.

Australian Tax Revolt

The tax revolt is spreading to Australia, reports REASON correspondent V. R. Forbes. The rising tide of protest reached a climax in April with a nationwide blockade of all major highways by hundreds of interstate truck drivers protesting road taxes.

There is plenty of reason for revolt. Australia may well be the most overgoverned country in the world. With only 14 million people it supports 13 houses of parliament, 857 full-time politicians, thousands of shire councils, 1.6 million public servants, and over 4 million people receiving welfare benefits. There are about 5.6 million people who are net tax

CARSON DEVELOPMENT CORPORATION

CDC SURVIVAL FOODS

NO. 10 CANS (slightly less than 1 gallon)

FRUITS	GRAINS
1 Applesauce	3 Cereal fruit nut
2 Apple slices	1 Cornmeal
1 Banana slices	18 Flour (white or whole wheat)
2 Fruit mix	1 Macaroni
VEGETABLES	2 Oats, quick
1 Cabbage	1 Peas, split
1 Carrots	1 Popcorn
1 Green beans	2 Rice
1 Peas	1 Spaghetti
2 Potato dices	1 Wheat, cracked
3 Potato granules	MISCELLANEOUS
1 Soup blend	3 Shortening
1 Tomato crystals	3 Margarine
1 Yam flakes	6 Sugar
PROTEIN - 2 Eggs	1 Baby Limas
12 Instant non-fat milk	NO. 2 CANS (approximately quart size)
6 Regular non-fat milk	1 Bacon TVP
1 Cheddar Cheese	1 Baking soda
1 Peanut butter powder	1 Bell peppers
1 Soup base beef	1 Cornstarch
1 Soup base chicken	1 Onions, chopped
TVP - Textured Vegetable Protein	1 Pepper, whole black
4 Beef; 2 Chicken; 2 Ham; 2 Plain	1 Salt

NEVADA COIN EXCHANGE

- *One-person 12-month food supply*
- *Dehydrated for long-term storage*
- *Specially canned and packed in cases*
- *Stores up to 10 years*
- *Supplies over 1500 calories and 65 grams of protein averaged daily*
- *Watch value grow as inflation unfortunately continues*
- *Variety — 43 different items*
- *17 cases (96 No. 10 cans and 7 No. 2½ cans)*
- *Net weight 320 pounds*
- *Cost $675.00 (a 10% saving over individual prices)*
  Shipping charges extra (Payable upon receipt)
  Free book and 25 lids for cans included)

Send for our brochure. Read how to improve your diet immediately. Wheat grinders for sale. Optional cases available. Individual items listed but only available in cases of 6 cans of same item. Order the above supply today before prices go higher.

FREEZE–DRIED FOOD CATALOG AVAILABLE

☐ *I am interested in receiving your brochure.*

Please ship the above food supply —

☐ *Payment enclosed by check. Charge to my Visa or Mastercharge No.* _____

(Qty. of supplies)_____ *at $675.00 each* _____ (Total Amount of order)

*Name*_____

*Address*_____

*City*_____ *State*_____ *Zip* _____ *Phone No.*_____
(for trucker to call you)

Mail to CDC SURVIVAL FOODS, Box 485 (777 E. Williams), Carson City, Nevada 89701. Phone (702) 882-2483

consumers but only 3.2 million net tax payers. The result is an annual tax bill that is more than twice as big as the market capitalization of Australia's top 34 listed public companies.

The government felt compelled to act by a brilliant tax-avoidance scheme that threatened to reduce tax revenue by several hundred million dollars. In quick succession it passed retroactive legislation to outlaw the scheme, slapped a 50 percent penalty on participants in "artificial" tax schemes, set up a field audit bureau of tax bloodhounds, introduced a computer blitz to catch moonlighters, and established a new division to plan and coordinate action against legal tax-avoidance schemes.

The battle lines are now drawn. The first action was a premature tax-revolt campaign by the *Australian* newspaper. Then the tough coal miners in Queensland struck in protest against a proposal to tax the subsidy element in their cheap company-provided houses. Next the opal miners of Lightning Ridge staged their own Eureka Revolt against a 500 percent increase in government lease payments. Tax agents then went to the press with accusations of tax terrorism and charges of inconsistent treatment, arbitrary adjustments, and frivolous disallowances by tax assessors. Finally, the truckers received national publicity with their effective show of strength about road taxes. Each new confrontation produces a heavy-handed reaction from the authorities and a few more recruits for the tax revolt. Such an atmosphere provides fertile ground for Australia's small but growing band of libertarians and its active limited-government Progress Party.

Radar Shot Down

Police use of radar to entrap drivers has gone down to defeat on both coasts. As a result, drivers in California and Miami, Florida, are breathing more easily.

In California an Assembly committee torpedoed the perennial request of the California Highway Patrol for permission to buy radar units. This year the CHP thought it had found a way around the legislature's traditional hostility to spending money on radar—applying for federal funds to buy it. Absolutely not, said the Assembly Transportation Committee in a 7-to-3 vote. "It looks like radar is dead for this year and maybe for years to come," sighed CHP commissioner Glen Craig. California thus remains the only state whose highways are free of radar (though many of its cities do use it).

But one Florida city—Miami—may not be using it any more. Not after Dade County judge Alfred Nesbitt ruled out its use in the case of 80 accused speeders represented by the public defender's office. That situation developed after TV station WTVJ broadcast an evening news series showing police radar units clocking—among other things—a tree at 86 mph and a house at 28 mph. The idea for these tests originated with Dale T. Smith, head of the company which makes Fuzzbusters (see Spotlight, REASON, November 1978). Smith's contentions were backed up by no less an authority than Henry Kolm, professor of electrical engineering at MIT. Altogether, the evidence was enough to convince Judge Nesbitt. But resolution of some 5,000 other Miami area radar cases will depend on whether it convinces other judges as well.

Backdoor Truck Deregulation

Thanks to the Teamsters trucking strike, the nation has been experiencing a taste of free-market shipping. For the duration of the strike, the Interstate Commerce Commission has suspended nearly all controls on who can carry what. And once the strike ends, there will be only token enforcement efforts against illegal oper-

Important Contributions To the Growing Literature Of Law and Economics

Gold, Money & the Law. Central paper by **James Buchanan** and **Nicolaus Tideman;** commentaries by **Milton Friedman, Harry G. Johnson, Ralph K. Winter, Gerald Dunne.** (Aldine, 220 p.).

Auto Safety Regulation: The Cure or the Problem? Central paper by **Sam Peltzman;** commentaries by **Richard Nelson, Paul MacAvoy, Jerry Mashaw, Robert Pitofsky.** (Horton, 144 p.).

Advertising and Free Speech. Central paper by **Ronald H. Coase;** commentaries by **E.J. Mishan, Philip Nelson, Vern Countryman, Monroe Freedman.** (Lexington, 108 p.).

Deregulating American Industry. Central paper by **Hendrick Houthakker;** commentaries by **Harold Demsetz, Peter Steiner, W. Kenneth Jones, Edmund W. Kitch.** (Lexington, 120 p.).

Wealth Redistribution and the Income Tax. Central paper by **Norman Ture;** commentaries by **Boris Bittker, Michael Graetz, Martin S. Feldstein, Richard Musgrave.** (Lexington, 130 p.).

"The Economics of Bankruptcy Reform." A symposium issue of *Law and Contemporary Problems.* Central paper by **William Meckling;** commentaries by **Merton H. Miller, Philip Shuchman, John C. Weistart, J. Fred Weston.** (178 p.).

"Civil Liability of Government Officers." A symposium issue of *Law and Contemporary Problems.* Central paper by **Jerry Mashaw;** commentaries by **William Baxter, Richard Epstein, Mancur Olson, Kenneth Shepsle.** (114 p.).

"Private Alternatives to the Judicial System." A symposium issue of *Journal of Legal Studies.* Central paper by **Richard A. Posner** and **William M. Landes;** commentaries by **Paul Carrington, Otto A. Davis, Arthur Denzau, Geoffrey C. Hazard, Jr.** Forthcoming.

These publications, all based on Law and Economics Seminars administered by the Law and Economics Center of the University of Miami School of Law for the Liberty Fund, Inc., are available at $10 per copy, postpaid. Write:

Law and Economics Center
University of Miami School of Law
Post Office Box 248000 • Coral Gables, FL 33124

ators. That's because ICC enforcement priorities are being shifted from hunting down gypsy truckers to ending "weight bumping" by household movers and other fraudulent practices that directly harm consumers.

The regulated truckers are, of course, furious over this shift. They have profited handsomely from ICC restrictions on competition and don't intend to give them up without a fight. But it looks like a losing battle. Even before the ICC's recent loosening up, gypsy truckers were managing to rack up from one to several billion dollars a year in business the regulated truckers consider theirs. There's a ready market for their services, since the illegals typically offer either lower prices or faster service.

Not enforcing regulations, but leaving them on the books, is clearly a less-than-ideal situation. Since the increased competition is a boon to consumers, the obvious answer is to repeal the regulations, as economists have been urging for years. As *Business Week* pointed out (April 23), "If the ICC wants more truckers on the road offering a wider variety of services and rates, it should speed up the deregulation process or even ask Congress for more authority to relax regulations." We agree.

Rhodesian Elections

Better late than never. That seems to be the rational way to view April's elections in Rhodesia. Having realized that the country's blacks were going to participate in governing the country—with or without the whites—Ian Smith's party very sensibly decided to make the best of it. In partnership with three black leaders, Smith set up an interim government, drafted a new constitution, and held the country's first multiracial elections.

And how did the opposition forces counteract the elections, which they termed a sham? Not by organizing a boycott. No such democratic niceties for the forces of Robert Mugabe, whose goal is "a one-party Marxist state." Practicing what they preach, his forces "burned tribal hamlets to stop villagers from voting," according to UPI. "The military command" said insurgents set fire to villages dotting a 15-square-mile swath of the Mtilikwe Tribal Reserve and ordered hundreds of villagers to flee to the hills to prevent them from voting." Despite such tactics, an amazing 60 to 65 percent of the eligible voters went to the polls (compared with 38 percent in our own congressional elections last fall).

And how did independent observers view the elections? John Hutchinson of UCLA's Foundation for Research in Economics and Education told reporters he found the elections to be "free and fair." Widely respected Freedom House, whose observers included Bayard Rustin and Roscoe Drummond, called the elections "a significant advance toward majority rule in Zimbabwe Rhodesia." While pointing out the difficulties of holding elections with the majority of the country under martial law, Freedom House still concluded, "The effort of the Zimbabwe Rhodesian government to involve the people in the election seems creditable." Further, the group's statement pointed out, "elections in most underdeveloped countries are less free" than this one was. "In a world in which a peaceful change does not, and cannot, occur all at once, this election is a useful and creditable step toward the establishment of a free society in Zimbabwe Rhodesia."

Milestones

• *Vegetables Deregulated.* Fresh fruits and vegetables can now ride the rails free of ICC price controls. The decision to lift controls was the ICC's first use of a 1976 law giving it the power to exempt specific commodities from regulation. The move should help railroads compete with trucks, since shipments of produce by truck have never been regulated.

• *California Tax Initiatives.* Howard Jarvis is at it again. This time it's the California income tax he's after. He has announced plans for an initiative, aimed at the June 1980 ballot, to cut state personal income tax rates in half, fully index the rate schedule to account for inflation, and repeal the hated business inventory tax. Petitions are already circulating for another initiative, this one aimed at phasing out the six percent sales tax over a three-year period.

• *Parkinson in Prison.* An inmate has shown that Parkinson's Law applies in the federal prison system. In an article in *Contemporary Crises*, A. C. Villaume points out that from 1930 to 1977 the US Bureau of Prisons' inmate population increased by 93.7 percent; over the same time period, the number of employees grew by *874 percent.* And the tendency still continues. In the past five years the prison population increased by 21.2 percent while employment grew by 82.75 percent. And as far as the author can determine, prison conditions are no better today than in the past.

• *Freedom from Unions.* Religious schools are not required by law to bargain with teachers' unions. So ruled the Supreme Court in a 5-to-4 vote. The court concluded that the First Amendment's guarantee of religious freedom exempts religious schools from the jurisdiction of the National Labor Relations Board. In so doing it ended a joint NLRB/Justice Department campaign to force the Catholic Church to deal with teachers' unions.

• *Saying No to Tax.* In one of the first post-Proposition 13 tax-increase elections by a California city, voters of Palos Verdes Estates said a decisive no to raising their property taxes to restore prior cutbacks. Under Proposition 13, no local government may increase any tax without a two-thirds vote in favor. In the March special elections, proponents could muster only 40 percent of the vote—a rousing endorsement of the spirit of Prop. 13.

• *Tuition Tax Credit Backed.* Conservative Jewish rabbis have endorsed the idea of tax credits for private school tuition. Delegates to the 79th Rabbinical Assembly, meeting in Los Angeles, voted by a clear majority to support the Packwood-Moynihan tax credit bill for private and secondary school tuition.

• *Equality.* If women are entitled to alimony, then so are men. That's how the Supreme Court saw it, in a 6-3 vote overturning the Alabama divorce law, which did not so provide. Eleven other states also had divorce laws requiring only men to pay alimony, now overturned as unconstitutional.

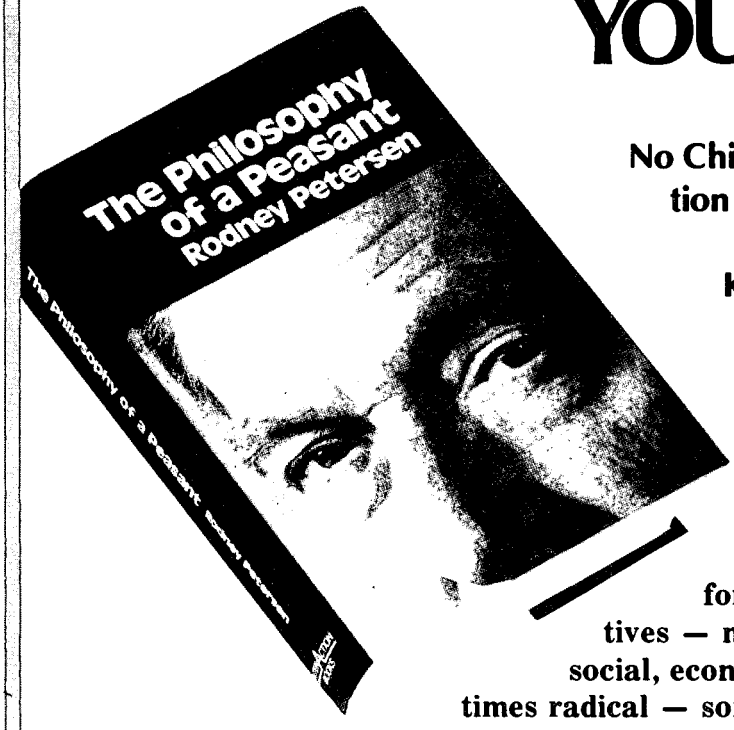
• *Costly Crimes.* Those victimless crimes consume a lot of resources. A federally funded study reveals that 21 percent of all those appearing in the Washington, D.C., Superior Court in 1976 were accused of victimless crimes. About half were acquitted, and of those convicted, 83.8 percent never went to jail. The report documents the millions of dollars devoted to prosecution of these nonthreatening offenders—as well as the "opportunity costs" of not being able to use the same resources to pursue real criminals. While making no recommendations, the study by the Institute for Law and Social Research provides a valuable arsenal of facts.

• *Saying No to Parties.* The number of Americans contributing $1 to one of the two major parties via their income tax return has declined, for the first time. The IRS reports that as of April 6 only $14.6 million had been so earmarked, compared with $17.8 million at the same point last year.

• *Hard Money on TV.* Viewers of a recent Merv Griffin show (aired on April 17 in Los Angeles) were treated to a 90-minute exposition on the government as the source of inflation and the virtues of gold, silver, and hard currencies as defensive instruments. The show featured speakers from an American Economic Council conference, including Nicholas Deak, Howard Ruff, James Dines, James Sinclair, and AEC chairman Ken Gerbino.

—Robert Poole, Jr.

IF YOU HAVE A GUT FEELING THAT SOMETHING IS WRONG— YOU ARE RIGHT!



No Chief Executive of a Global Corporation Would Dare to Write a Book Like This. But Rod Petersen Quit That Kind of Job to Research and Write *"The Philosophy of a Peasant."*

This book could shock you and make you angry — you may disagree — but it will make you think. It offers hope for the future with bold new perspectives — new ideas — new approaches to our social, economic and political problems. Sometimes radical — sometimes conservative — sometimes liberal — but always logical.

Chapters on: Inheritance and Wealth ... Peasants, Intellectuals and Aristocrats ... Population and Collision ... Energy ... Inflation ... Education ... Communication ... Religion ... The Moralities ... Racism and Discrimination ... Taxation, Representation and the Vote ... Government ... Management ... The City ... The Corporation ... The Media ... Advertising ... Law and Order ... Public Morality ... Weapons in the Home and on the Person ... Conservation and Environmentalism ... The Military, Welfare Services and Human Resources ... Medical Care and Health Services ... Our Future.

People in business seldom speak out. Petersen has. He writes from the vantage point of a brilliant business career — from the bottom to the top — capped by years of research. Now successful in his own ventures, without the umbrella of a huge corporation, he writes exactly as his intellect and his conscience dictate — with no holds barred.

"It had to be done," says the author. "We don't have much time. Our young people must have some reason for which to live, and some rules by which to live. They want the truth."

554 pages of easy-to-read print in premium quality hardcover binding and jacket.

Order direct from the publisher, InterAction Books, Dept. 123, RD No. 1, Highway 5 — South, Heber Springs, AR., 72543, U.S.A. Send $12.95 (or its foreign currency equivalent) per copy by check or money order. Satisfaction assured or money refunded on written request within 60 days from date of order. If you want to charge by Visa or Master Charge, give us your card number, expiration date and signature.

Or order through your bookstore, ISBN # 0-932808-00-X, published 1979.

INTERACTION BOOKS

PLEADING JIM JONES' CASE

Before the Jonestown massacre, politicians and reporters covered up Jones' brutality; afterward, they covered up his socialism.

BY THOMAS WINSLOW HAZLETT

UPI

Once upon a time there lived a man called Rev. Jimmie Jones, and he believed in absolutely anything, so long as it was unbelievable. He

UPI

believed that he could resurrect people from the dead by screaming formulas into the air; he believed that he was the reincarnation of V. I. Lenin, Father Divine, and Jesus Christ; he believed that he was the greatest romance-maker of all times; and he believed in socialism.

It should come as no surprise that when the founder of the now-famous People's Temple began bellowing these fantastic superstitions in a loud and bellicose fashion, two things quickly happened. He became tremendously popular amongst all the important Gucci liberals, and he moved to San Francisco.

This vaudevillian performer of socio-economic revivalism combined the political genius of a Bella Abzug with the promotional genius of a W. C. Fields, and he regularly rewarded his public with virtuoso acts. A favorite is thus described by the indisputable *Newsweek*:

> The "healings" were strictly carnival stuff. Whitie Freestone offers an outline of a typical cure: "Jim had people go to a house and use the bathroom. They would look into the medicine cabinet and find medicine for, say, heart disease. Then they'd get this person to come to the church, and Jim would pick the guy out, scare him to death, and say 'You've got heart trouble.' Other times he would tell a person he had cancer. Then they would carry back a towel with bloody meat in it. Jim would holler, 'Don't get too close, that's cancer.' But I would look right at it and you know, it was the same piece of meat every week. I think they kept it refrigerated."

Eventually Jones refined the cancer act, commanding his top aides to find a better prop. They devised a mixture of chicken entrails and their own blood. Then they left it in a warm room until it congealed into a rancid and apparently convincing mess. Jones also allowed congregations to eavesdrop on his conversations with "spirits"—aides who hid in crawl spaces in the ceiling. Once he even healed himself of a mysterious gunshot wound from an unseen sniper —and he displayed his bloody shirt in a glass case like an icon. The stunts were often orchestrated to suit the audiences. The elderly blacks who formed a majority of his followers usually witnessed old-fashioned tent-revival-style cures, for example, and visiting radical celebrities might be treated to a seance with the soul of sainted labor leader Joe Hill.

PRESTIGIOUS SUPPORT

Stage talent such as this is rare, and public-service entrepreneurs soon realized its potential in helping to reconstruct a New Deal coalition. So valuable were Reverend Jones's political connections, in fact, that one can only speculate why he was never asked to join the Carter administration at the Cabinet level. He had, after all, served with distinction as San Francisco's director of urban housing, where his tour de force was holding public hearings. There, he had maximum opportunity to utilize his polished oratorical ability in denouncing the multidimensional evils of capitalism. Jones routinely packed his hearings with busloads of his captivated little lambs, hauled in from as much as 100 miles away, who would add riotous outbursts in support of their leader's vile pontifications on "profiteers," "absentee landlords," and anyone else

not on the government payroll.

Practitioners of the democratic process grew fond of this shrewd artist of political science, a fact that was to be of strategic importance for the Reverend Jones. Because trouble was brewing with his "dissenters" and "defectors"—the kind of nuisances that any socialist utopia, from the USSR to the People's Temple, seems to be infected with. These reactionary agents spread incredible tales: of a minister who boasted of having sex with 14 women (and two fellows) all in one day, of a communal garden in South America where slavery had been instituted as a revolt against capitalist exploitation, of a plot to hoard millions of dollars (representing the life savings of hundreds) to promote equality, of the murder of dropouts, of mass suicide drills.

When it came to bamboozling the top layer of California's saucer-eyed progressives, the plaudits for Jones were well founded.

Against these ghastly charges the People's Temple amassed impressive support from prestigious persons. Endorsements poured in from Mrs. Jimmy Carter, California Gov. Jerry Brown, the Honorable Joe Califano, San Francisco Mayor George Moscone, Los Angeles Mayor Thomas Bradley, and Assemblyman Willie Brown (who was to speak at a People's Temple fundraiser, presumably cancelled, two weeks after the Guyana holocaust). California Lt. Gov. Mervyn Dymally felt so intimate with the Temple as to tell government investigators to back off (read: cover up) their inquest. Ditto the late Mayor Moscone's administration in the Bay Area. A Los Angeles probe by the district attorney was even scared off by the State Department. And while the West Coast jet set was protecting the Temple stateside, the local Guyanese authorities were kept at bay by the incredible threat that if their snooping began to irritate the Reverend Jones he would conduct a mass suicide to embarrass the Guyana government. This was not, try to remember, a Mel Brooks comedy.

This formidable coalition served the socialist credo—and the public image of Jonestown—well. They managed quite successfully to dispose of the "propaganda" while Jonestown operatives laid careful plans to dispose of the propagandists. "Death penalties" were issued against those who failed to grasp the reality of Reverend Jones's Marxist paradise, and the mysterious deaths of several Temple dissidents remain, to this day, unsolved. Reporters with questions were carefully attended to, and many emerged with body alterations or discovered open-pit barbecues in their hotel rooms. The esteemed Barry Goldwater and John Stennis even managed to put the US Senate in the hit-list top forty.

Investigative journalism also found its way onto the "enemies list." When the *San Francisco Chronicle* was given the Temple "dope" in the spring of 1977 by a staff reporter, city bigwigs—and paper *advertisers*—put the lid on it. When the reporter turned free-lance and landed the piece as a headliner with the exposé-hunting *New West* magazine, Reverend Jones's minions gained the intervention of noted journalists, politicians, and starlets in an attempt to kill the story. In the forefront of the unsuccessful hush-up drive was—hold on to your Constitution—the American Civil Liberties Union! Moreover, this defeat for the freedom-of-the-press, public's-right-to-know sloganeers was quickly followed with a stunning victory. According to Temple lawyer Mark Lane, an accurate (his description) story that the *National Enquirer* had commissioned and had already paid $10,000 for was "never published because the publisher of the *National Enquirer* checked with the State Department and they said it was all untrue, and they knew it was true."

"A BEAUTIFUL PLACE"

This was a coverup, all right—and no Laurel and Hardy job like you'd get from the Nixon White House. Reverend Jones was revered for his superhuman powers, and when it came to bamboozling the top layer of California's saucer-eyed progressives, all the sensational plaudits were well founded. Despite his maniacal sermons wherein he would spit at the Bible and stomp it onto the floor while screaming that his folks were spending too much time with it and not enough time with him, despite his passion for filling the air until dawn with his female worshippers' coerced testimony that his sexual organ was the most awesome in Christendom, despite the multiple murders of Temple defectors, despite a concentration-camp establishment where a white clique controlled a mostly black population with Stalinist brutality and ghetto-like living conditions, Jonestown, Guyana, managed to survive every challenge. With the unquestioning patronage of the respected liberal establishment, the People's Temple flourished.

So delicious was the taste of Jones's born-again Marxism to the upper crust, that the congressional "fact-finding" mission, commanded by the late Rep. Leo Ryan, was convinced that their tour revealed universal happiness. After checking every nook and cranny, Congressman Ryan concluded, "This is a beautiful place." He then assured the testy Reverend Jones that he would kill any congressional hearings into the Jonestown commune. This great victory gave Charles Garry, the nervous attorney for the People's Temple, a feeling of "elation."

Garry's relief was understandable, for he had been promoting the Temple's Jonestown franchise for a year and a half as "a little jewel that the whole world should see." Such flattery had managed to effect a radical consensus in the United States that, as reported by *Newsweek*, "Jonestown was a counterculture paradise." Garry surely must have felt a surge of righteousness at that critical juncture, for it was he who had spent considerable energies to convince Reverend Jones to allow the congressman admission to the jungleland commune in order, in Garry's words, "to prove to the world that these people criticizing you are crazy."

But just as Garry was basking in his elation, another ecstatic Guyana groupie broke the bonds of socialist tranquility by attempting to slit Ryan's throat with a fishing knife. The commando was on direct orders from Rev. Jimmie Jones—which it is superfluous to point out, because it was quickly demonstrated that all one thousand Jonestown roomers were on direct orders from the Reverend. Leo Ryan's life was spared only by onlookers who managed to restrain the crazed assailant. Garry's immediate question following the incident provides us with a cruel insight into the type of specimen with which we are dealing: "Does this change everything?" he asked Ryan.

Garry, shaken but resourceful, hurriedly proceeded to explain the attack as the work of a "provocateur," a double-agent planted by right-wing forces to embarrass the Temple. Mr. Garry's wit has had 69 years to ferment, let us not forget,

Lane, who escaped with his scalp by a hair, still believes!

and has been sharply honed in the legal defenses of Huey Newton, Angela Davis, and an army of noted visionaries. The late congressman assured him that all was still delightful.

CONSPIRACY HUNTER

Mark Lane was the other, newer, People's Temple lawyer. But Mr. Lane has had more experience with creating con-

spiracies than just about anyone, and it had taken him only minutes, several weeks before, to figure out this one. On September 27, 1978, he wrote a 10-page memo to Reverend Jones: "Counter-Offensive: Projected Offensive Program for the People's Temple." It revealed: "There has been a coordinated campaign to destroy the People's Temple and to impugn the reputation of its leader Bishop Jim Jones. . . . Among the suspect organizations are the FBI, the IRS, the U.S. Post Office and the FCC. It is apparent that various newspapers and writers have participated in a coordinated effort to defeat Bishop Jones and the People's Temple." And this came, exactly two weeks after he had first heard about the People's Temple, from the author of a book entitled *Rush to Judgment.*

What was the Counter-Offensive?

- Come up with $7,500 in cash to quash an exposé in the *National Enquirer* (the money went through Lane, and it worked!).
- Set up a "Jonestown Embassy" in Lane's three-story office building in Washington, D.C.
- Publish glowing tales on the Jonestown haven in *Mother Jones* and Marxist newspapers.
- Have the finest French filmmaker (a Lane associate, according to Lane) film "the miracle of Jonestown" for television audiences worldwide.
- Commission Geraldo Rivera to shoot an ABC-TV documentary on Jonestown for American television.
- Get Jack Anderson and Les Whitten, "a friend of mine, to run a story predicting that we will be filing action in the near future."

What legal action? Freedom of Information action, of course. This would serve to uncover the criminal plot. Unfortunately, Lane was soon to find that Mr. Garry had long since pounced on the files of all of Mr. Lane's persecutors and had found virtually no interest in the People's Temple by the Feds.

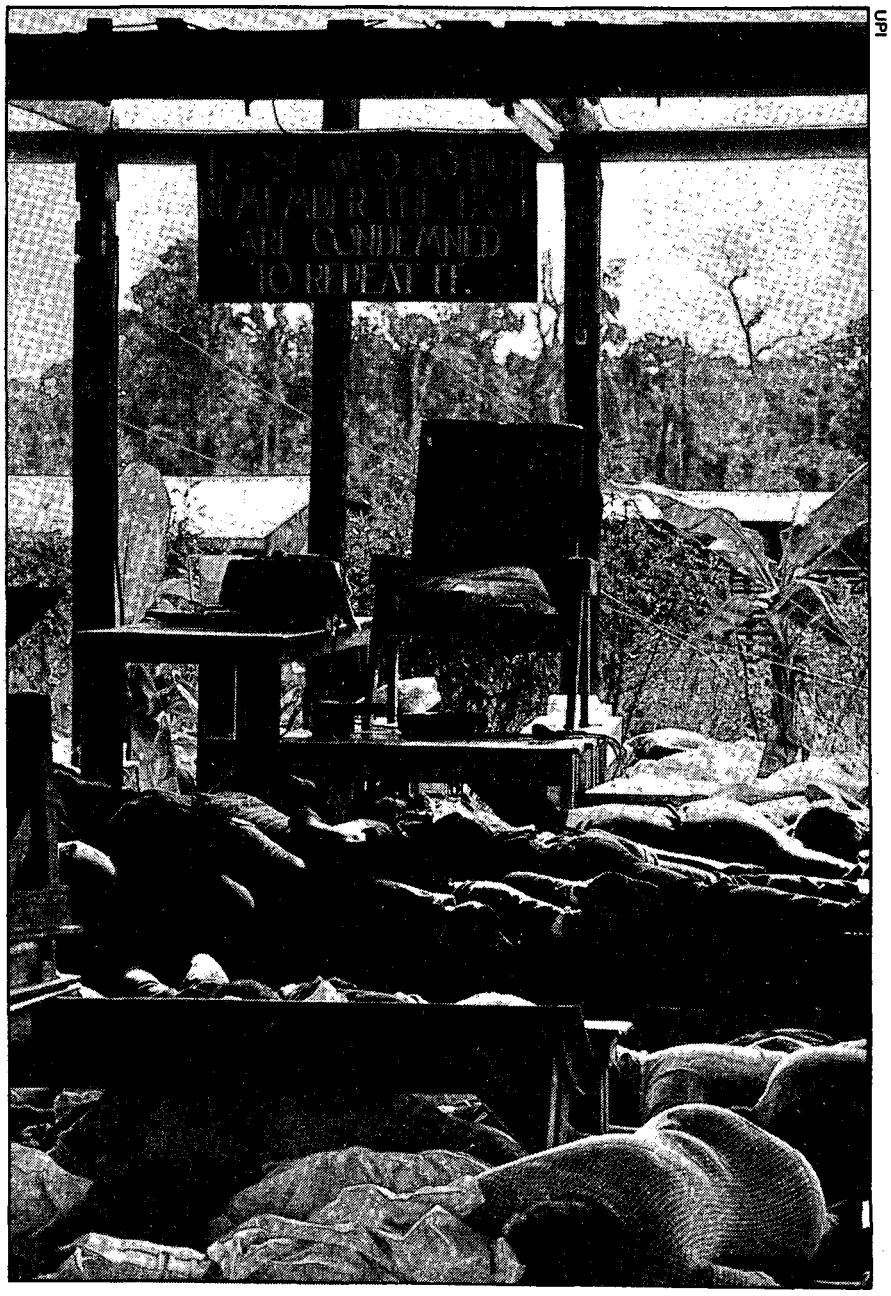
So traumatic was this cold shoulder by the proper authorities, whom Mark Lane thought he could count on for a good conspiracy when he needed it, that Lane is now, post-Guyana massacre, alleging that the State Department was derelict in *not* investigating the People's Temple. As the *Los Angeles Times* reported at a press conference two weeks after the suicide drill: "Lane continually lambasted government agencies for being unresponsive to complaints about Jonestown but at the same time he would not dismiss the possibility that there had been federal attempts to harm the People's Temple." So Lane had discovered that the government had both a conspiracy and a conspiracy not to have a conspiracy.

A STRANGE CLIENT

Lane might be defended as acting within the bounds of legalistic license; he was only servicing his client. On the other hand, his "impugned" client should have been his first clue that Jonestown was not simply a benign leftist version of Leisure World. Lane now admits that Jones's behavior was strange: he would not come out of his house during the day and he made rambling, irrelevant interruptions in conversations about proposed legal strategies.

Indeed, one would be pushed to the wall to come up with a stranger bird (apart from board members of NOW) than the Reverend Jones. Crippled with paranoia, he had chosen Ukiah, California, and Guyana, South America, as home bases precisely because they are among the geographical points safest from nuclear bombardment. A neighbor recalled that "there were times when just the sound of an airplane flying overhead would start him crying." Cancer preoccupied his imagination as well, and he was incessantly claiming to his inner circle that he sported a plethora of fatal afflictions.

His sense of exaggeration was well developed. He boasted of tremendous sexual prowess and forced his disciples to vouch for him, handing out church questionnaires quizzing, "Do you fantasize about Father sexually?" Whenever he was



UPI

asked about the size of the crowd attending his sermons, he was known to double the actual total. And this was after the original count had been bloated with imported fanatics, hauled in in 11 full-sized transport buses, jammed so full that the children were stuffed into the luggage racks. And even Mark Lane might have perceived a touch of bravado when, as *Newsweek* reports, "Jim Jones began telling friends that he himself was Jesus Christ."

But Lane was unflappable. His faith ran so deep, in fact, that today—after 912 true believers have been sent to their reward—he proudly claims that he would still advocate the same strategy as he did on September 27! Lane, who escaped with his scalp by a hair, still believes!

This is less surprising when we discover that he was fully aware of what was meant by "the Jonestown miracle." According to cocounsel Charles Garry, "Mark Lane knew everything; the guns, the drugs, the suicide pact—and he never told anyone."

LANE'S DREAM WORLD

Maybe he just couldn't stand the thought of disturbing the pristine little experiment; it was, sort of, a radical's dream come to life. He was at the top, Minister of Law, of his very own socialist state. A Russia Minor. A mini-Moscow. It was a spittin' image of the real-live grown-up USSR utopia. It had it all:

- Omnipresent armed guards patrolling the edges of Jonestown à la the Berlin Wall. These ill-mannered military police were aptly named "the learning crew" and the "public service unit."
- Chronic shortages of food and supplies. Jones once ordered Temple members in San Francisco to loot all nearby gas station restrooms to alleviate a toilet paper crisis. Jonestown settlers were fed rice and beans for dinner (rice and water for breakfast and lunch); real meat came their way but one night a week. Reverend Jones, on the other hand, enjoyed steak and delicacies at each meal, sharing his food scraps with loyal followers to instill devotion.
- The work schedule was seven days per week, from dawn until late in the evening. The time off was for brief "meals" and lengthy "meetings." Tom Bogue, a 17-year-old survivor, recalls, "Those who didn't work didn't eat."
- Captured escapees were subjected to various tortures: public floggings administered to sensitive portions of the body; three weeks of chopping wood in the tropical sun at 18 hours per day; one week of solitary in a six-by-three-foot box; and getting shot up with Thorazine and stuffed into the "extra care unit"—the final measure "for people who supposedly were lunatics," meaning that they wished to return to America.
- A May Day ceremony to display the awesome power of the State. The Jonestown version would gather the citizenry to the pavilion, where Reverend Jones would command, "Quiet, and you'll hear one of our new weapons." The ensuing bazooka ka-boom would leave a lasting impression.
- The leader, Reverend Jones, lived in the luxury of aristocratic elegance but forced the great masses to sleep in quarters that Mark Lane would later compare to "slave ships."
- The Big Lie. Jones's chief means of persuasion was to scream of continual, pervasive conspiracies against his dream world and to convince his followers that the KKK and the CIA were beneath every pebble, just waiting to murder Temple sympathizers who had left the protective arms of Father Jones.
- A dictatorial power elite, held together in a rigid, inflexible hierarchy. The Central Committee, of about a dozen commissars, was called the "Angels" and took charge of big socialist concerns like counting the money and enforcing death penalties. The second tier was analogous to Gosplan, roughly: the "Temple Planning Commission." These strategists were trusted with only slightly less important tasks, like rounding up big crowds for all of Jones's public appearances.

Jones himself should have been the first clue that Jonestown was not simply a benign leftist version of Leisure World.

Little wonder Lane was so keen on filming the camp. It would have been a smash: "Little Soviet on the Prairie."

The Soviet role model was more than symbolism, or at least Jimmie Jones was hoping it might be. His aim was to win for Jonestown full honors in satellite-hood, and he demonstrated his good faith in the deal by willing the People's Temple's $10 million cache to Russia in the event of catastrophe. But Russia, only used to taking things that are explicitly not offered to it, rejected the voluntary gift, suggesting its favorite charity: UNICEF. Lane reported, "Jones was crushed, just crushed," that a socialist country would not accept the cash. Jones desperately pleaded, "What are we doing wrong?"

It is easy to sympathize with Jones. For it *is* hard to figure out what else he could have done to prove his faith.

Or what else Mark Lane could still be doing. Lane continues to fight a one-man show and operate one-celebrity press conferences, even as his own lies, like his denial that he was paid by the Temple (his "favor" brought him a $10,000 bonus and $6,000 per month plus expenses), become national headlines.

JONESTOWN CRUSADE

So long has Lane been a prophet of the in-crowd that he may singlehandedly claim credit for carrying on the Spirit of Jonestown. Lane's antics in this crusade recently prompted *Esquire* legal editor Steven Brill to write: "On major issues, Mark Lane is as utterly truthless as any who has ever moved across our headlines. And his motives are always the same: profit and headlines."

In what does much to justify Lane's jumbo fees as a defense counsel, Brill reveals that Lane met with a reporter for the penny-ante *Ukiah Daily Journal* (circulation 9,000), a Kathy Hunter, who had written some of the first (true) horror stories regarding the Jonestown mob. Lane used a phony name (Mark Lande), a phony title (writer for *Esquire* magazine), and tape-recorded the proceedings. He then held a San Francisco press conference to denounce her claims. Lane dismissed his deception by pointing out, "if I told her I was a lawyer for the Temple she would have never talked." More bravely, Lane used his journalist cover to question another man present at the meeting who had brought suit against the People's Temple for holding his daughter hostage. Lane baldly asked what the gentleman's terms might be in an out-of-court settlement. "In short," notes attorney Brill, "a lawyer on the opposing side in litigation posed as a reporter to learn his opponent's settlement terms."

Rather than running for the border after the frightful holocaust he so loyally assisted, Lane runs for the microphone—and his literary agent. When Lane reported to Memphis police that "hit squads" from Jonestown had survived the suicide festivities and were preparing to knock off numerous big shots, his royalty advance on his Guyana book bounced from $100,000 to over $150,000. Curiously, the only evidence of these goons was a claim by Lane that some packets of the popular beverage mix Kool-Aid were left on his doorstep. Memphis police detectives (Lane resides in Memphis) plainly feel that the Honorable Mr. Lane did the deed himself. This, Lane knows, is "just part of the plot to discredit me and get me murdered."

"Who's trying to murder you?" asked Brill.

"The CIA, through the media, principally the same media that covered up the Kennedy and King assassinations. The

key media are CBS and the *New York Times.*"

"Is Walter Cronkite a CIA agent?"

"I don't know what he is, but I know what he's done and what he's doing.... By reporting I was in Geneva [taking money out of a People's Temple bank], I could have been killed."

"Why would the government want you killed?"

"I don't know. Why was King killed?"

Lane's self-confidence as to his relative standing in world history is only surpassed by his appreciation of those who have gone before him. As personal references, Lane shouted at Brill: "Why don't you talk to Bertrand Russell or Arnold Toynbee about me? Come on, write that down, goddamn it. Write down Bertrand Russell." Poor old Bertrand met his maker in 1975; Toynbee, in 1970.

Such a grasp of reality is not easily matched by high moral fiber, but Lane comes through here heroically. Our self-confessed Jonestown martyr claims his just honors by bellowing: "I went there and saved the lives of a lot of ----ing people.... I risked my life for people. I made it possible for five people to get out."

And so the pathetic Mr. Lane, unreconstructed, lunges forth with the mission, philosophically dismissing Jones's ill fate as the product of a sort of hit-or-miss proposition: "Jones became a devil. If you cannot be God, you don't just fall back to the rank and file.... If you win, you're Moses, if you lose, you're Charles Manson."

"FIZZLED AT THE END"

Charles Garry has at least acknowledged that the People's Temple made a mistake. The decimated Black Panther lawyer spilled his guts in a particularly juicy interview with *Los Angeles Times* reporter Robert Scheer.

Scheer: The paranoia led to the mass deaths. How do you finally come to grips with this? The body count has gone up to 900.

Garry: I am just numb.... There is no rational basis for it. No sense to it. It's sick. Just sick.... They were killed not by an enemy, but by a friend—terminating their lives to a point where contributions they had made were destroyed. They believed in socialism and they set the history of socialism backward. They believed in freedom, in human freedom, and the very essence of how they died disproved that. It is just sickening. I just keep thinking about it and I go into a circle and I get very morose and upset about it.... And the only thing that I can say is that we have to learn something from this.... No one person should be given that kind of power and that kind of authority over human life.

Scheer: There were reports all the time from people leaving him saying that there were guns and violence and drugs. Why didn't you put any stock in the reports?

Garry: I didn't trust them, I didn't believe them. Unfortunately many of the things the defectors said were true. The way they said it and the way they did it, in my opinion, they lacked credibility.

Scheer: You don't have any sense that you were too willing to accept this, that you made allowances for him [Jones]?

Garry: Well, perhaps I did, but we always make allowances for people that we work with.... We always like to think the best of people that are in our corner. But that is a mistake. We keep making the same mistake over and over.... We don't criticize our so-called heroes. That was the weakness in the entire People's Temple setup. And that is the weakness in practically every left-wing organization that I have ever had anything to do with. We let them get away with murder because he is the leader. We don't want to rock the boat. The extreme example is how Stalin was permitted to get away with it for many, many years....

What can we say of intelligent men who mouth the clichés of despots?

Scheer: But why didn't you know about Jones' corruption? There just seemed to be something so profoundly rotten about this Jonestown place.

Garry: I know, but it wasn't apparent. Just the opposite was apparent.... I was there four days the first time and three days the second time, over a period of a year. And everything was perfect when I was there. And I marveled at it.

Scheer: You are a person who has defended a lot of people who needed defending. Why does this good work keep getting mucked up with movements that go berserk?

Garry: I'll tell you what the consolation is. The consolation is that these groups at the time make steps forward. The People's Temple made contributions for 25 to 30 years that you can't overlook. The fact that they fizzled at the end doesn't take away the years of affirmative works that they had done.

Scheer: Charles, they didn't just fizzle out at the end—they killed babies.

Garry: When I say fizzled—they destroyed the very things that they created, including themselves....

Scheer: But doesn't it send a chill through you? How does it feel—that you were involved in this grotesque thing?

Garry: Well, I don't take any personal responsibility for it....things were kept from me, I was used, I was lied to, things were distorted to me.

A LITTLE JEWEL

As Garry struggles to forget the grotesque picture of Jonestown, he should be soothed with the knowledge that he has loads of company. Many millions of true believers have successfully repressed the ugly carnage of socialist reality in favor of the poetic fantasies of their leaders' imaginations. As socialist utopianism produces Siberias, Auschwitzes, Great Leaps Forward, Cambodias, and Jonestowns, the slogan-strewn billboards must be turned on ultrahigh to attract our hopes and distract our eyes. And ever-more belligerent must become the attack on individualist social institutions. Do not mind the concentration camps for dissenters, we are informed, but look at General Motors' profits! Forget the human corpses stacked and bloating in the heat of socialism's "miracle," but look at capitalism's cruel persecution of the snail darter!

Eric Hoffer's *The True Believer* diagnosed the pathology of those who leap to grasp an identity in the "movement" or "leader" that they are missing in themselves. As Dr. Jardat Sukhdeo, chief of psychiatry at New Jersey Medical School, commented after examining one-fourth of the 80 Jonestown survivors, "Their lives have been directed and controlled. To go back into a free society where they have to make their own decisions is very frightening."

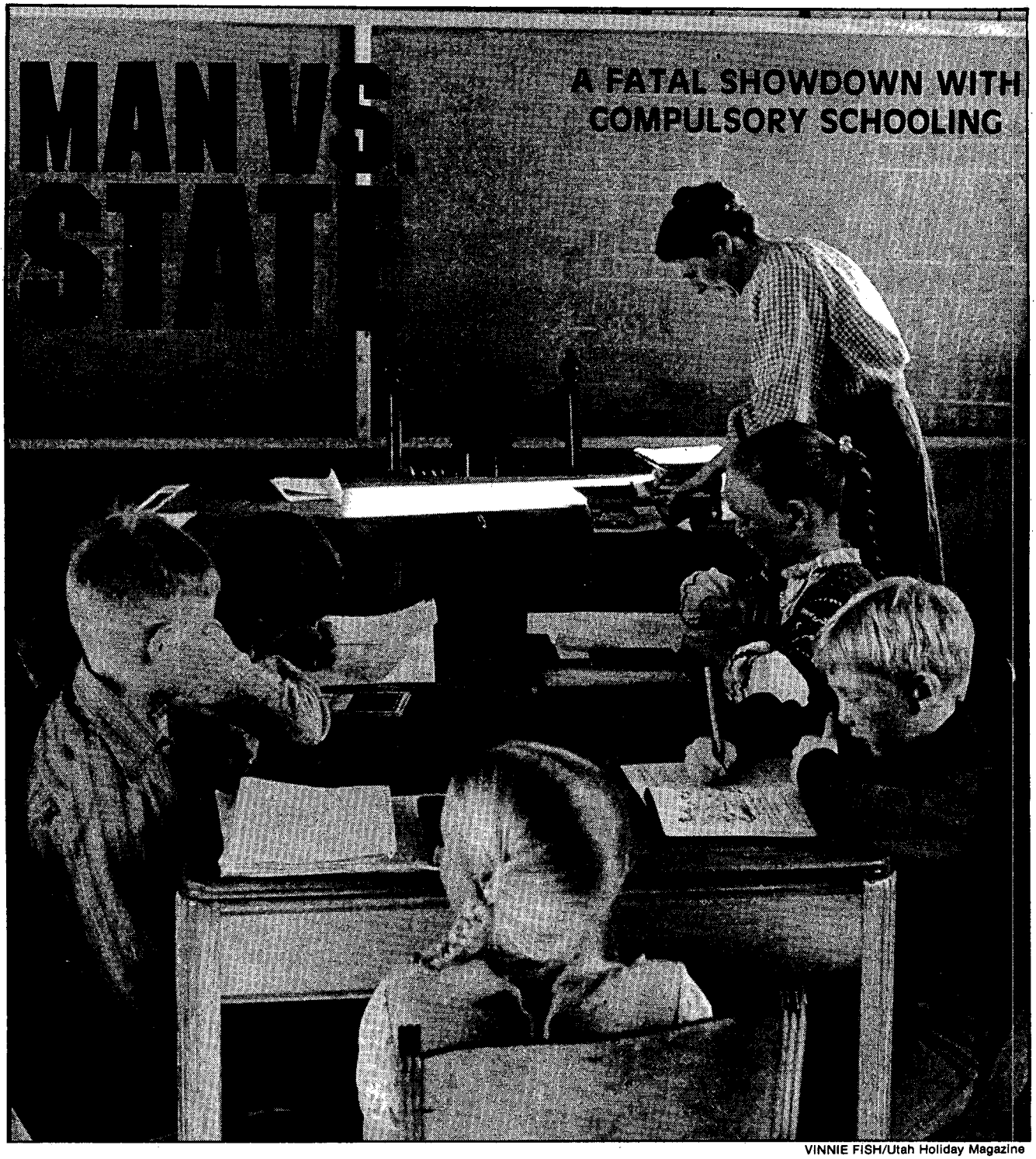
Whatever explanation we have for the depravity of Jones's captured flock, what alibi is there for the Garrys and Lanes, the door-to-door swindlers who, wittingly or duped, kept the death camp afloat? These men are not sheep; we certainly observe them enjoying the freedoms of their constitutional, private enterprise society. Is it love of bright lights? Middle-class guilt? Innocence? What can we say of intelligent men who mouth the clichés of despots? who inevitably, as Garry tells us, make possible the wickedest and most rancid barbarism?

The questions are rhetorical, but our search to "learn something from this" need not be. We would do best, in fact, to

(Continued on p. 40.)

MAN VS. STATE

A FATAL SHOWDOWN WITH COMPULSORY SCHOOLING



VINNIE FISH/Utah Holiday Magazine

It had been subfreezing and usually subzero for weeks on end in the Kamas Valley of northern Utah. Almost every night had brought another snowstorm to the tiny mountain town of Marion. Last night was no exception, and the snow had drifted deep in the farming community nestled high between the peaks of the High Uintas to the east and the

Wasatch Mountains to the west.

At noon, John Singer pushed open the door of the 19th-century-style cabin that he had built himself. He proceeded down the snow-covered lane to the mailbox. In a setting as sparsely populated as any left in America, surrounded on all sides by rugged terrain and wilderness areas, and protected by the intense mountain winter, one would think that John Singer would have been alone. But the snowmobile tracks surrounding his small farm on all sides attested to the fact that he wasn't.

The snowmobiles had been the most recent calling card of the continuous surveillance of the Singer family by law enforcement officers of Summit County and of the state of Utah. They had been there many times before with helicopters, low-flying aircraft, and masked men staring for hours through binoculars from unmarked patrol cars.

It was January 18, and John Singer, a small, wiry man of 47, who spoke with a German accent, had not left the 2½-acre mountain farm in almost a year. None of the 13 members of the Singer family had left. It seemed to him that he was under siege. And he was.

As John approached the mailbox at the end of the lane where a chained gate served to separate the Singer farm from the rest of the world, the roar of snowmobiles broke the silence. Sheriff's deputies and highway patrolmen, who had hidden behind neighboring houses, completely surrounded him.

Singer pulled his Colt automatic, loaded with a single round, from his coat. The ten lawmen had him desperately out-gunned. Five held revolvers and five held shotguns. They formed a circle around him.

"Halt. Police. Drop the gun."

John raised the Colt and drew a semicircle through the air.

A single blast from an officer's 12-gauge shotgun rang out. Singer fell bleeding into the snow.

Suddenly the porch of the small cabin was filled with armed family members, John's two wives and two of the children armed with rifles. A younger daughter was holding a bow and arrow.

"Drop your guns or someone might get hurt," one of the officers yelled. The wives and children complied—but someone was already hurt. Ten minutes later, John Singer was dead: the result of resisting a court order that he comply with state compulsory schooling laws.

This wasn't the only attack on the Singers. It was just the only successful one. Three months earlier, three officers in plain clothes had come to the Singer farm. Identifying themselves as reporters for the "L.A. Time," the three had grabbed John and forced him into a van.

Ten children and two women poured forth from the cabin and swarmed over the undercover agents, kicking and punching. John freed one hand and pulled a .38 automatic from his pocket.

"Let go or I'll shoot!" he shouted.

"We're police officers! Don't shoot!" yelled one of the "reporters."

"Get off my property. And if you ever try to do that again, I'll blow your head off," Singer warned. This had ended the "interview." The next attempt proved luckier for the law.

DISTURBING QUESTIONS

What was it about this man that had brought his five-year opposition to state education for his family to this fatal conclusion? Why was his defensive posture so dangerous to the police, prosecution, and educators who represented the State?

As the snow of the next winter storm covered the blood spots by the Singer mailbox, some especially disquieting facts were being uncovered in Salt Lake City, 25 miles away.

The police had taken John Singer's body to the State Medical Examiner's Office for autopsy. They took the seven children of John and Vickie (Singer's first wife) to the Salt Lake County Juvenile Detention Center. Vickie Singer was arrested for contempt of court (stemming from her refusal to cooperate with the public school system) and booted into the Salt Lake County Jail. The three children of Shirley Black (John's second wife of a polygamous marriage) were held for custody of their father, Dean Black.

The public and the media wanted to know how a man could be killed for refusing public education for his children and providing for their education himself. Utah State Public Safety Director Larry Lunnen promised a news conference to the news media after the autopsy. Summit County Sherriff Ron Robinson, who was responsible for enforcing law in the Singer case, also promised to be present.

Lunnen had masterminded the unsuccessful "interview" arrest attempt of Singer. Both Robinson and Lunnen are said to have planned the fatal arrest try. Lunnen had earlier planned an unbelievable arrest attempt involving an armed personnel carrier and gas bombs. That attempt was vetoed by Utah Gov. Scott Matheson.

The reporters waited hours for the news conference to begin. Finally, a secretary for the medical examiner emerged and read a three-line statement, announcing that there would be no news conference. The statement said that Singer's body arrived at 2:15 P.M., an autopsy was performed, and the cause of death was a shotgun wound.

Later is was discovered that the public safety director had slipped out of the back door of the office. Sheriff Robinson had hurriedly returned to his Summit County office.

What was it that these dedicated law enforcement officials were hiding? The autopsy report had been exceptionally brief. And what it didn't report was what friends and family of John Singer found when they viewed his body at the mortuary. John Singer had been shot in the back.

The Singer tragedy has thrust into the public consciousness an important question: Who ultimately has the right to direct children's learning experiences—the State, or the family and individual child? And it has forced a fundamental issue: To what extent can a person who has harmed no one be prosecuted or persecuted by law enforcement officials?

WHY THIS MAN?

John Singer was born in New York in 1931. His father had come to America from Germany to raise money for the Nazi Party. His mother was a member of the Mormon Church. John spent the first 15 years of his life in Nazi Germany, where he was sent to S.S. training school (he was later expelled for making stink bombs) and was a member of the Hitler Youth Movement. By 1946 he had returned to New York and was baptized into the Mormon Church. Singer often cited his boyhood in Germany as the cause of his hatred of regimentation.

John moved to Summit County, Utah, in 1950. In 1963 he married his first wife, Vickie Lemmon. Her parents disliked John, 12 years Vickie's senior. Upon hearing of their engagement, her father, Grant Lemmon, remarked, "If you marry that son of a bitch, we'll never speak to you again." Vickie's parents and an aunt attempted to have her committed to a psychiatric hospital, but Vickie and John eloped, successfully thwarting the plans of unhappy relatives.

The Singers' lifestyle was dictated by John's belief that "we are headed into a new era of time. We are on the eve of a tremendous crisis, when it will be the survival of the fittest. The things that are happening in the world are merely warnings. People should heed these warnings as tests and prepare themselves to be self-sufficient when the disaster strikes."

The Singers' cabin was designed to help them overcome the "crisis." They had a large quantity of food in storage, kerosene lamps for light, and wood-burning stoves for heat, cooking, and hot water. Electricity was not a necessity. Of the seven Singer children, ages three to fourteen, four had been delivered at home by John.

John and Vickie Singer were excommu-

VINNIE FISH

"I am convinced that my children can work better at home because, with us, education is an on-going process."

nicated from the Mormon Church in 1972. They denied church president Joseph Fielding Smith as a prophet and revelator.

EDUCATIONAL DISPUTES

In March 1973 John Singer went to see the principal of South Summit Elementary School, Rex B. Walker. Singer provided a copy of *Good Times in the City* and asked Walker, "Do you see what your people are teaching in this school?"

He turned to a page depicting George Washington and Martin Luther King. "Do you know who that man is?" he queried in reference to Dr. King. "You have put him next to George Washington, making him an equal. He is not. That man is a descendent of the Canaanites and has the mark of Cain on him. He was backed by the Communists and was a traitor to his own people. These people were cursed to be servants."

The book's cover illustrated children of many races playing together. Singer complained that "by showing these people together, you teach that it is all right to associate together. Then, the first thing you know, they get to know each other. They could eventually intermarry. Then the disaster would strike because their children would have the blood of Cain in them. I'm not going to have my children taught these things."

What the autopsy didn't say was that John Singer had been shot in the back.

Singer claimed to "have nothing against the black race. However, I think we should be separate. They should have equal rights, but with their own government in their own state."

"According to our religious beliefs, if you have Negro blood you can't reach the highest glory." So Satan, he claimed, is the force behind race mixing. "But my more urgent motive—the one people don't understand—is that I must prepare my children to survive the crisis that is coming in this world. And for this, a regular education is not enough."

John Singer removed all of his children from the Utah public school system on March 19, 1973. And thus began his fatal struggle against State education.

BEING FREE

He told the Summit Country Board of Education:

> Our society is deteriorating and our children are the fruits of this society. Look at them—vandalism, carousing, dope, venereal disease and pregnancies. I won't turn my children over to that. I've learned through gardening and all other works that you don't set out tender young plants and let the elements ravage them with all their force. You put up stakes and help the plants until they are strong enough to survive themselves. You don't send innocent children out into corruption.
>
> In a free society, the responsibility for a child's education is in the hand of his parents, not the state. Without freedom, this is lost. Remember Hitler said, "Give me the youth and I have the nation."
>
> This being free—I don't know why it is so deeply implanted in me. All my life, people have tried to put me under their thumb and I have suffered terribly. It has taught me to watch my liberties very carefully. I have learned my school lessons as far as liberty is concerned in the college of hard knocks.
>
> All I am asking for now is freedom to educate my children according to the United States Constitution. I feel that your schools are too permissive. The teachers are too objective, while I prefer the subjective approach to religion and the essential skills of farming, homemaking, carpentry, and such. And I am convinced my children can work better at home because, with us, education is a continual, on-going process, not just an exercise for a few hours a day.

John Singer's objections to the state educational system and its curriculum and environment were several. The teaching of racial equality was the thing that seems to have tipped the scales against the public schools for John Singer. His racial attitudes, while not admirable, were not far from the attitudes of the great majority of Summit County, Utah, residents (over 90 percent Mormon).

Utah law provides that parents may remove children from school to be taught at home, provided they follow the same curriculum mandated by law and regulation for the schools. When faced with the

prospect, Singer said, "This is not really important. My children are learning other things that are more valuable. Timothy is only nine, but he is building a cabin by himself, even cutting and fitting the logs. This takes math as well as carpentry skills. The girls are cooking, sewing and helping maintain the house. All of the children work in the vegetable gardens and care for the animals. They are learning all the time."

THE COURT RULES

When school resumed in September, the Singer children remained on the family's mountain farm. Thus began legal proceedings against John and Vickie Singer for violation of compulsory attendance laws. When the Singers refused the school board's demand that they keep a roll and allow district testing, Singer explained, "That would invade my privacy and violate my constitutional rights and religious beliefs."

Judge Charles Bradford appointed Mr. Robert Orton as guardian for the children. Singer wrote to him saying, "You, Mr. Bradford, have placed me in a very peculiar situation, either to transgress the laws of my God and obey men's corrupt laws, or to obey my God's laws and defy men's corrupt laws. I, fearing God more than men, have chosen the latter."

Judge Kent Bachman of the Summit County Juvenile Court then ordered psychological testing for the family to help resolve the case. Dr. Victor Cline, clinical psychologist at the University of Utah, tested the children, but when he called to make an appointment to test the parents, Vickie Singer responded, "My husband told me to tell you that we would consent to be tested on the condition that the entire school board and Mr. [Superintendent] Erdington be tested along with us. Since they are the ones who turned us over to the Court, it is only fair that they be tested, too, to see if they are more capable than we to determine what is best for our children."

John Singer constructed a one-room schoolhouse on the farm and incorporated it as the High Uinta Academy. On November 1, 1977, the court determined the Singers to be in contempt, fined them $299, and senteneed them to 60 days in jail. The sentence would be lifted only if they submitted to state psychological testing.

They submitted to the testing. Dr. Cline's official evaluation stated, in part, "Vickie Singer is of sound mind, mentally competent, knows clearly what she is doing and is overall a remarkable, resourceful and adequate woman." Of John he stated, "There is absolutely nothing suggestive of pathology or mental illness in his makeup. In summary, they are above average in intelligence and emotional stability and soundness."

The results of the children's testing were, according to Dr. Cline, "shocking." They were 34 IQ points below their parents, which Cline attributed to isolation and inadequate learning experiences.

MIND CONTROL

At this point, any astute observer must raise a number of questions. The limitations of standard tests applied to individuals of varying cultural backgrounds are now widely recognized. But this didn't phase the court. Then there is the question whether lawmakers or the professional education community know best what individual children "need to know" in order to be educated, or what they may need in the future. Yet their beliefs about these matters are translated into law—clearly a case of what Friedrich von Hayek has called "the pretense of knowledge." Thus is education made into a coercive experience, amounting to government mind control and destroying diversity in beliefs and lifestyles. It was that radical diversity for which the State and its representatives sought to punish the Singers.

They were given three options by the court: accept a tutor who would instruct at their home, enroll in a licensed private school, or enroll in a public school. "That puts us right back where we started," argued John Singer. "You can't become a law unto yourselves," the judge responded.

December 16, 1977, was established as John and Vickie Singer's trial date for charges of neglect and habitual truancy. They missed the hearing. They also refused to leave their farm to appear in court on March 14, 1978, and again on April 6. They were both cited for contempt.

VINNIE FISH

Who ultimately has the right to direct children's learning experiences—the State, or the family and individual child?

Singer sent a letter to the court and the county prosecutor, citing a 1963 opinion from US Supreme Court Justice William Brennan, which stated, "Attendance at the public schools has never been compulsory; parents remain morally and constitutionally free to choose the academic environment in which they wish their children to be educated." John commented later, "If I discuss this matter with court officers or school officials, I automatically acknowledge their guardianship over my children." Clearly, he refused to concede any legitimate authority of the State over his family's minds or private lives.

THE FATAL ISSUE

The Singer conflict was primarily over State education. A secondary issue at stake was the polygamous marriage of John Singer to Shirley Black on July 17, 1978, and the custody of the three Black children.

In October 1978, news of the polygamous relationship reached the courts and Shirley Black's husband, Dean Black. Mr. Black was awarded custody of the children by the court. Neither John Singer nor Shirley Black would permit the removal of the children from the Singer farm. In December Mr. Black's attorney moved that Sheriff Robinson be held in contempt of court for not serving outstanding warrants for contempt on Singer. Judge John Farr Larson, who was now presiding in the case, refused the motion and continued the order for Singer's arrest without a time limit.

The conflict for which the State was willing to risk a fatal confrontation was clearly compulsory schooling and not polygamy or child custody. Judge Larson made this clear in his first public statement after the shooting. "My action today is the outgrowth of ten months of involvement with the Singer family, during which time the court has been very patient and had hoped that Mr. Singer could resolve his differences with the education system in a different manner than which transpired today."

According to Summit County Attorney Robert Adkins, the officers had waited five or six months so that they could attempt arrest "without injuring anyone involved." This means that the law enforcement officials had been planning an ambush months before the court was aware that Shirley Black and her children were living in a cabin on the Singer farm.

In any other state, the primary charge would have been bigamy, but Utah has a peculiar history. Polygamy was practiced in Utah in conjunction with the Mormon religion from 1847 until statehood was granted in 1896. The federal government insisted that polygamy be prohibited by the state constitution before Utah would be admitted into the Union. At that time, armed federal troops were occupying Utah, fearing a Mormon uprising. Fort Douglas, located on the side of the Wasatch Mountains overlooking the Salt Lake Valley, is the only US fort constructed with the artillery facing *toward* the nearest city, not away from it.

At this point, the president and prophet of the church had a revelation in which polygamy was ordered to cease. Many church members, however, are still sympathetic to polygamy, since most members' families had practiced it in the not too distant past. Furthermore, a large number refuse to accept both the law and the revelation and continue to practice it as members of sects that have broken with the church. Estimates by the attorney general of Utah place practicing polygamists in the state at 50,000—a large percentage of Utah's sparse 1.3 million population. This is one of Utah's better-kept secrets.

THE SHOWDOWN

When the Singers missed the April 6 hearing, Judge Larson issued a self-serving formal statement.

> By law, children in this state have a right to an education and a duty to attend school. Children are no longer regarded as chattels of their parents. They are persons with legal rights and obligations. The rights of parents do not transcend the right of a child to an education nor the child's duty to attend school. Parents who fear the negative influence of public education should also examine the damaging effects of teaching a child disobedience to law and defiance of authority. For several years the Singer children have been denied an education by their parents, making their educational achievement far below children of similar ages. For this reason they have been declared neglected. Every conceivable attempt has been made to assure these children an education compatible with their parents' belief, including a school program at home. All attempts to meet the requirements of the law have been consistently refused.
>
> They cite their freedoms, the Constitution and God, to support their stand. Freedom is the child of obedience to law. Without obedience to law we would have no freedom. The Constitution guarantees certain rights to all citizens. This same constitution provides for a judicial system in which these rights are protected and enforced. Every opportunity has been given the Singers to pursue their rights in the Courts, including the appointment of counsel and stays of this Court's orders. Each has been met with further defiance.
>
> It is difficult to understand the violation of law in the name of God when God teaches obedience to law.
>
> The law of this State has been carefully considered and established by legislative action. It can only be changed by the same process. This Court has the duty to enforce the law. In the present instance the action, from the beginning, has been focused on the best interest of the Singer children. This family unit could be maintained if the Singers were willing to comply with the law. These valuable children deserve an education and opportunity to grow to the fullest extent of their potential in a climate which teaches obedience to law. It is with considerable reluctance that the Court directs that previous orders be carried out.

On June 9, Summit County Sheriff Robinson drove to the Singer farm. Leaving his gun in the car, he approached Singer.

"I've come to carry out the Court orders," he said.

"I'm not going anywhere," was John's answer.

Referring to John's gun he asked, "Would you use that?"

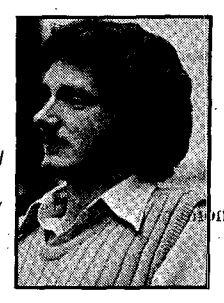
"I would rather be buried in my garden than go with you," John replied.

"MURDERED"

The reaction of the residents of Utah has been overwhelming, causing a paranoid response on the part of those responsible. The morning after the shooting, graffiti (normally absent in Salt Lake City) sprang up all over. "John Singer was murdered," it read.

That seemed to be the common opinion. According to Robert Black, publisher of an underground polygamist Mormon paper, "I think it's terrible that a man has been murdered because of his religious convictions—murdered by law enforcement officers. That's a crime I thought we'd done away with—that we didn't have here in this country anymore." A number of editorials likened the

(*Continued on p. 40.*)



Gerald King holds degrees in business and education from Indiana University. He taught at Granite Alternative High School in Salt Lake City for two years and is now "pursuing economic prosperity on the sun coast of Florida."

by Robert H. Bork

Who will speak for CAPITALISM?

IT'S TIME FOR BUSINESS LEADERS TO STOP COMPROMISING AND RISE TO THE DEFENSE OF THE FREE MARKET.

NO DOUBT ABOUT IT—the corporation is today one of the least liked and respected institutions in American society. It is also, and partly for that reason, the tendency of current public policy to thrust great and increasing costs upon business in an attempt to achieve a wide variety of social goals. These costs are reaching levels that now impair the efficiency of our economic system and may shortly threaten the capacity of corporations to perform —in terms of production, investment, and employment—in ways the public regards as adequate.

Since capitalism as a system is not widely loved for itself but is, rather, tolerated for its superior performance, the prospect is worrisome. Unacceptable performance will not be attributed to the costs imposed by government; it will be blamed upon the corporate system itself. The demand will then be for further reforms that threaten the continued existence of capitalism.

The puzzles are—Why is this happening? How can the system be defended? and, particularly, Why is it not being defended more vigorously?

CORPORATE LEGITIMACY

These may, though, be the wrong questions altogether. The problem may not be specific to corporations and capitalism. The fact is that the institutions of our society are generally in decline. It is a phenomenon that sociologist Robert Nisbet calls the "twilight of authority." In the last 10 or 15 years most of our major institutions—government, corporations, the military, universities, the family—all have experienced a loss of respect and of moral authority, so that one is inclined to suspect a more general cause at work than simple, specific distrust of business and capitalism. Be the causes what they may, it is apparent that there has been a flattening of the American institutional landscape.

Political battles, however, cannot be conducted in terms of general societal trends. They must be fought in terms of particular proposals for the reform of specific institutions. It is also true that victories and losses in confined fields affect trends in larger areas.

When we examine the conditions necessary for the continued vigor of our corporations and the survival of the capitalist system, the issue of moral authority is crucial. Capitalism has performed unprecedented feats in the production of material well-being, but economic performance by itself is not enough. Institutions that hope to survive in a society like ours have to be seen as possessing moral authority: their powers and their wealth must be accepted as legitimate in some moral and political sense. It is apparent that corporations have little moral authority today and very little notion of how to regain it.

It is interesting to meet the leaders of major American corporations when they are out of the office, gathered together, and thinking about their position in the society. These are the people thought of by the general public and by the critics of the corporate system as bold, rapacious, cunning leaders—the Machiavellis of our society. There could hardly be a greater disparity between that image and the reality. In their concerned discussions of their relationships with the outside world, many of them turn out to be docile, apprehensive, defensive, and unsure of how to respond to sharp and unrelenting attacks.

SURRENDER

I remember a talk in which a prominent businessman said that he and his colleagues were concerned that the large American corporation does not possess legitimacy in the eyes of the rest of the society. He asked how they could alter their modes of corporate governance, in particular, in order to be accepted as legitimate. He was, of course, quite right to be concerned about the decline of the corporation's legitimacy, but I recall having two reactions to his approach.

The first was surprise at the triviality of the response suggested. A change in corporate governance—which may or may not be advisable on other grounds—will have very little impact, if any, upon the public perception of the corporation and its role in the society. Anticorporate sentiment is directed to the entire role of business and free enterprise in our lives.

Changing the details of, say, stockholder voting will not placate the hostile. Fiddling with corporate governance for no better reason than to defuse hostility and head off punishing "reforms" is like tinkering with a leaky faucet in the hope of averting the Johnstown flood.

My other reaction was surprise at the mood of defeat, of lowered morale, that suffuses meetings to discuss problems of this sort. It is as though a large fraction of the community of business leaders wants to make preemptive concessions, as if they meet not to plan a fight against a wrongheaded movement but to discuss how best to negotiate the terms of surrender.

That attitude will not lead to peace and popularity, much less to reestablishment of moral authority. It will be seen as weakness and will earn only the contempt of the enemies of corporations and capitalism, while leading the large, relatively indifferent majority to suppose that the critics must be right: if capitalism were a positive good and worth defending, business leaders would not be so ready to compromise and even to capitulate. To ask what you can do to be accepted is to admit that you are not acceptable. Nobody ever got into a club that way.

Intellectuals tend to suppose that better economic results can be ordered by law.

The hostility that fuels the attack upon corporations arises from an alliance or, perhaps more properly, a congruence of interests and beliefs between socialists, populists, politicians, and intellectuals. In that constellation the intellectual class seems the crucial element, for it provides the indispensable theoretical apparatus for attacking the institutions of capitalism.

The academic branch of the intellectual class, which is the creative core, produces an enormous amount of scholarship designed to prove that free economic and social processes work so inadequately that extensive governmental intervention is required. This scholarship—because of the academic intellectuals' influence with the mass media, the policy professions, government bureaucracies, and other segments of the intellectual class—has a very heavy impact upon the formation of public policy.

The reasons for the hostility of intellectuals in general to corporations and to capitalism are complex. Even brief consideration of them, however, shows that that hostility may be permanent or, at least, likely to persist for a very long time.

Irving Kristol has advanced the theory that the intellectuals, whom he refers to as the New Class, see themselves as possessing distinctive tastes and interests and are now engaged in a class struggle for power, prestige, and wealth possessed by the bourgeoisie, a class whose interests are associated with business. The shift of power from business to government represents a shift from the primacy of the market to the primacy of politics and hence a gain for the intellectual class at the expense of the bourgeoisie. There may be a great deal of truth in that hypothesis, but perhaps it is not the entire explanation.

Allowance must also be made for the economic ignorance that characterizes not only the population at large but the intellectual class. Few intellectuals have been exposed to a good basic course in price theory. Most of them have no firm idea of the functions that markets serve, and they tend to suppose that better economic results can be ordered by law. Thus, the great majority of academics appear honestly to believe that minimum-wage laws benefit workers as a class, supposing that such measures simply transfer income from wealthy businesses to poor workers. People who believe that have no difficulty supporting detailed regulation of all business activity, since they have little notion either of its real costs or upon whom those costs ultimately fall.

WHENCE THE HOSTILITY?

But I think we also overlook the environment in which professors spend their lives, that we underrate the influence exerted on professors by their students. Studies show that when students first enter college their political sympathies shift massively to the left, a phenomenon usually taken to be the result of the intellectual atmosphere created by the faculty. No doubt that is partially true, but it may not be the entire story. Students entering universities are for the first time in their lives freed of effective adult influence. They tend to be very insecure and, thrown into a society composed entirely of their own age group, are almost certain to become egalitarian. They have had no experience of the world, are somewhat afraid of it, and, moreover, are at a stage of life when passions run strong. They are almost bound to turn left for these reasons alone. Over time their effect upon the faculty is likely to be considerable. Almost all teachers would prefer to be popular with their students, and they may, many of them quite unconsciously, begin to modify their attitudes in ways that meet with student approval.

There is something approaching a parable about this. A professor of psychology used to lecture his students about modifying behavior by granting or withholding approval. His students decided on a test. The professor was a classroom pacer, walking from one side of the room to the other as he lectured. The students agreed that as he approached the door to the hall, they would pick up newspapers and read, gaze in boredom at the ceiling, whisper to one another, and so on. But as he walked in the other direction toward the windows, they would become increasingly attentive until, as he paused by the windows, they would be leaning forward in rapt attention. After being subjected to 15 minutes of this alternating treatment, the professor was pinned to the outside wall, quite unconscious of what had happened to him. It seems likely that an analogous sort of conditioning, taken over a period of years, may modify the political outlook of many professors at universities.

Executives have less personal stake in capitalism's survival than do the rest of us.

There are, of course, other factors influencing the outlook of intellectuals. Like other people, they are apt to find capitalism uninspiring because it lacks a central vision, seems to offer no meaning to personal existence beyond the narrowest self-interest. That is hardly capitalism's fault, since in modern times, at least, it does not pretend to be more than a means of organizing production and distribution. But other systems of belief that once lived alongside capitalism and supplied its spiritual lack have declined. People tend to want more than self-interest and material prosperity. They appear to hunger for transcendental values, and socialism and similar creeds offer secularized versions of such values, as capitalism does not. They offer, though the promise is false and never realized in practice, a vision of community, of concern for society at large, of man seen as more than a consumer.

Finally, one must not underestimate the degree of authoritarianism to be found among intellectuals. They are, after all, moved primarily by ideas, by abstractions, and such people are likely to be impatient with the messiness of free economic and social processes. Few intellectuals carry authoritarian impulses to the logical conclusion that some intellectual European and Asian movements have done; but there exists the tendency, and such tendencies are inevitably anticapitalist.

If these are the major factors shaping the intellectuals' attitude toward corporations and capitalism, it seems unlikely

that their hostility will disappear soon. The prospects for change on that front are not very good. So we need to consider why the natural leaders of the bourgeoisie in our time—the business executives—appear so timid in confronting the hostility, criticism, and demands for misguided reform directed toward them and the institutions they head. It is, at least at first glance, surprising that such persons should display low morale, amounting at times almost to listlessness, in defending a system they know to be not only the best ever devised for the public at large but one that has rewarded them so well personally. Upon reflection, however, a few reasons for this phenomenon appear to be convincing.

LISTLESS LEADERS

The heads of our major corporations in modern times have lost some of their functions that once conferred moral authority in the society and hence personal confidence. They are no longer the owners of the enterprises they direct—the personal risk-takers—but are instead hired managers. Though the reasons may not be entirely clear, not perhaps entirely logical, we have always accorded to owners and risk-takers a respect we do not give to salaried managers.

And the change from owner-managers to salaried has been accompanied by a shift in business rhetoric that may both reflect and contribute to decreased respect. The public-relations departments of major corporations are fond of pointing to all the ways in which corporations serve the public. But such rhetoric does not describe actual motivations, however accurate it may be as a description of results. So it may end up actually eroding the moral authority it intends to shore up. The pursuit of private interest in a free market does contribute to the public good, but the public senses hypocrisy in rhetoric that suggests corporations and their managers are actually motivated by a selfless desire to serve.

Another factor behind business leaders' failure to defend capitalism may be the fact that they have reached their positions by almost total absorption in the affairs of their companies. They have not learned to debate with intellectuals, who are verbalists by vocation, and do not have the time or perhaps the inclination to do so. Even if they had the training and the taste for public discourse, though, executives might think it unduly dangerous to their companies to stand in opposition to political trends.

Finally, however, it should be said that executives may defend capitalism inadequately because, though it seems paradoxical, in some ways they have less personal stake in its survival than do the rest of us. The days when owner-managers passed their businesses on to their children are gone, and the hired managers of today have no direct economic interest in the survival of the system beyond their lifetimes. Indeed, their interest may not run even that long, since business executives may feel, with considerable justification, that they and persons like them would remain a managerial elite under socialism. (That thought should be tempered with the reflection that their posterity may not be managers, or intellectuals either, and will then have to suffer the spiritual and material poverty of socialism along with the rest of us.)

SELF-DEFENSE

The result, in any event, is that capitalism and the free market are defended primarily by dissident members of the intellectual class. But that's not good enough. There are not enough such persons and, if intellectuals do have a predisposition toward politicization of the economy, there may never be many such persons. The academic world tends at present to view its function in such a way that persons who attack the capitalist order, or at least do not defend it, are preferred for recruitment. It is not uncommon to hear the view that the prevalence of the left-liberal point of view is *proper* for an academic community, since the function of the academy is to question the status quo. This can hardly be taken seriously, of course, for one would then expect to see a vigorous challenge within the academic community to the growing regulatory state that has been the status quo for decades. But the view is entirely incorrect, in any event. The function of the intellectual is not to start with an adversary posture to one segment of the society but to think questions through, whether that brings him into opposition to or support of the status quo.

The question remains—Who will speak for the free market and the capitalist system? The obvious answer is that effective advocacy must come in large measure from the leaders of the institutions of capitalism. No one will respect institutions whose leaders attempt to gain legitimacy by giving in to demands for "reform" that they know will lessen the ability of the institution to perform. Their worsened performance will be blamed on them, not on the reforms. Moral authority is not necessarily conferred; often it can be gained by asserting it.

There is in this a dilemma, but not an insuperable one. Business executives do not display constant devotion to free-market principles. They, like other groups in the society, often ask government for favors, subsidies, and protection they should not have. When that happens, as it will, they may expect to be opposed, and opposed vigorously, by those who are otherwise their allies in preserving the institutions of the free market. To the degree that business leaders behave that way, they undercut their credibility on issues where their position accords with the public interest. But regrettable as that is, it is no reason for them to be hesitant and defensive when they are right. Many interest groups are involved in such contradictions and do not become ineffective.

Business leaders will have to decide whether they are really willing to let the corporate system slide and perhaps expire without putting up a determined fight. Perhaps they are willing to; there is no particular evidence that they are not. The slide has gone pretty far already, however, and if corporate managers continue as they have, the rest of it may be shorter than they imagine. ◻

Robert Bork, former solicitor general of the United States, is Chancellor Kent professor of law at Yale Law School. This article is adapted from an American Enterprise Institute publication, "Capitalism and the Corporate Executive" (© AEI), by permission of the author and AEI.

Coming Next Month:

Big government is a dying beast; the 20th century will see it done in by worldwide variations on the Proposition 13 theme, and technological innovations will replace voting democracy with consumers' freedom in the "public service" business. So argues Norman Macrae, deputy-editor of the *Economist*, in REASON's August issue. Optimistic support comes from an expert in electronic data processing, who reveals how developments in the communications industry can indeed liberate people from government bureaucracy. And a live example of "public services" entrepreneurship is described in a report on the patrol specials, San Francisco's private law enforcers. Also in this issue: on the 10th anniversary of Apollo II, a reopening of the "moon race" debate; and Keynesian economics comes under new fire. Plus Alan Reynolds's Viewpoint, Mark Tier's Money, and all of REASON's regular features.

The Neglected Problem of Unattachment

America is plagued by a serious problem that has gone largely unnoticed. But the problem is quite pervasive—so pervasive in fact that it does not respect the lines of poverty or ethnic origin that have demarcated other social problems. Not long ago Herbert Stein touched on the problem in the *Wall Street Journal* when he called on Congress to pass a Full Marriage Act outlining the responsibility of the government to promote the right of all Americans to meaningful marriages and to adopt policies to reduce to an acceptable low level the number of involuntarily unmarried individuals. No doubt his motives in calling for such an act were noble, but his proposal was marred: the goal of full marriage is hopelessly out of date, and the wider problem—too high a rate of *unattachment*—is left untouched. In this age of live-in relationships, lower taxes for working couples "living in sin," and voluntary childlessness, who can doubt that marriage cannot be presumed to be the goal of those not enjoying the bliss of holy matrimony? What may be presumed is that those who are unattached are probably seeking, or at least desiring, some sort of attachment, even if only a fleeting one. And while attachments may in general involve less serious commitments than marriages, being unattached is clearly a more pressing matter than merely being unmarried and is surely one of the great social problems of our time. (We might include in the overall problem the problem of *underattachment*, which is the state of being in a relationship below one's potential.) Indicative of the scope and importance of the problem are the time, energy, and resources devoted to the search for and maintainence of attachments. Think of the billions spent on toiletries, jewelry, and the latest fashions in apparel, and you get some idea of the value people place on being gainfully attached. And of course, those expenditures are only the tip of an iceberg. Are not the revenues of the entertainment, restaurant, transportation, and communications industries substantially dependent on the activitites of those searching for (or dreaming of) suitable mates? Some perspective is provided by noting the comparatively small revenues of employment agencies offering to help place the un- or underemployed. But still, the problem of unattachment remains ignored in serious magazines and journals and on the editorial pages of America's newspapers. Not even politicians have chosen to champion the cause of the unattached. Perhaps it is the shame associated with being unattached and the resulting unwillingness of its victims to admit to being so that has caused the problem to be overlooked for so long. Similar shame delayed the recognition of poverty, alcoholism, child abuse, and illiteracy as serious national problems. Herbert Stein has performed a valuable service in exposing part of the unattachment problem—involuntary unmarriage. But what is needed is an analysis of the wider problem and concrete policies for its alleviation.

Three categories of unattachment can be identified. They are frictional, structural, and cyclical unattachment. (Economists may recognize

By Charles Maling

the parallels with the classifications of unemployment.)

The term *frictional unattachment* captures the ever-presence of those who are "between mates." Those who have severed, or were severed from, relationships that were too confining, hassled, or unfulfilling and are engaged in "search" activities (often disguised) aimed at finding a new mate may generally be classified as frictionally unattached. This follows if we can presume that there are potential mates for these persons and that the only thing preventing the appropriate matches is the lack of information. Potential mates during this search activity are simply unaware of each other.

There are a number of policies that could be adopted to alleviate the problem of frictional unattachment. What is needed are programs designed to reduce the high information costs associated with mate search.

Each state could establish a Bureau of Attachment Security (BAS) responsible for introducing potential mates, much as a state Bureau of Employment Security is charged with attempting the match of unemployeds to job openings. Unattached persons would register with the local office of the BAS, which would introduce those with compatible personality and interest profiles. The information collected at the local level could also be fed into statewide or even nationwide computerized data banks, which might find potential matches among those otherwise thought unattachable. Another possibility would be to invite those with matchmaking talents to offer their services in an organized way under the auspices of VISTA (Volunteers In Service To America).

Some concerned with this problem might prefer a greater reliance on market mechanisms. Tax breaks or even nonprofit foundation status could be given to "dating bars" and computer or other types of dating services. Tax reductions or subsidies to papers and magazines offering reduced-rate "personal" ads is another option.

Structural unattachment exists when there aren't enough potential matches to match everyone who is unattached. There may be excess supplies of or demands for individuals of certain types. For example, there may be an excess demand for M.D.s or other professionals and an excess supply of those in low-status vocations. And of course, individuals with certain physical characteristics are in excess demand or supply. Among personalities, there is excess demand for the charming and personable and excess supply of the obnoxious and cantankerous. There may also be an excess supply of shy introverts, though since shyness inhibits search activities, some unattachment from this source must be labeled "frictional."

There can also be regional imbalances. For example, there would likely be an excess supply of young unattached men in areas where there are military training camps. Single-sex schools can similarly create imbalances.

Due to the nature of our dynamic and constantly changing culture, there is always some flux in the demands and supplies of certain types. For example, the recent rise in the social acceptability of Travolta-Tomlin-style matches has probably changed the composition of demands for mates. We should now expect to see more unattached, physically declining but knowledgeable older men and fewer unattached older women and younger men.

Little can be done to rectify supply-demand imbalances if changes are rapid. But many imbalances linger on for long periods and may be amenable to corrective government action. Various programs could be implemented to "retrain" those having characteristics that are in excess supply.

To minimize the unattachment caused by our culture's obsession with physical beauty, free weight-reduction and -augmentation clinics could be established. Also, we should make it a matter of right to have access to the best cosmetic medical practices. After all, should only the affluent be entitled to lifts for faces, bosoms, and buttocks or to hair transplants, straightened teeth, and contact lenses?

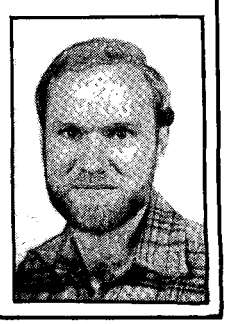
Personality retraining is just as important as the physical; many simply lack the manner and conversational skills to land mates. Perhaps training in the social graces should be incorporated into the required school curriculums (and, for slow learners, remedial "charm" instruction). It seems cruel and illogical for the nation's schools to provide instruction in the mechanics of sex with no instruction in the preliminaries.

Cyclical unattachment refers to periodic rises in unattachment resulting from general increases in people's "reservation," or holdout requirements for prospective mates. If people acquire inflated expectations about the qualities on which they can insist, then there will be a cyclical increase in unattachment. For example, if there were suddenly a society-wide insistence by males that their mates resemble Farrah Fawcett-Majors, or by females that their mates resemble Robert Redford, then cyclical unattachment would increase. Most existing matches would break up and few new ones would be formed.

Though some have doubted the existence of cyclical unattachment, social scientists have established some links between cultural happenings and people's reservation requirements or changes in their minimally acceptable standards. Studies have shown that watching programs such as *Charlie's Angels* raises males' standards of what are acceptably attractive and therefore datable females. (See "The Farrah Factor," *Human Behavior*, Feb. 1979.) If so, we may actually be in a relational recession now. Unfortunately, there are no data available to confirm such a speculation.

What can be done to alleviate the possibility of periodic inflation of people's expectations? Perhaps the government should take a greater role in influencing our cultural environment. Certainly we can all agree that the powerful media of television and cinema give us distorted views of the world. Movies and shows that glorify beautiful and successful people do raise our standards of how others can be expected to look and behave. Showings that focus on unrealistic possibilities ought to be discouraged and those that focus on harsh realities encouraged. Many have advocated that the media be restrained from immoral displays of sexuality and violence, but when we consider the media's potential effect on unattachment, it is clear that that is not enough. The government should assume responsibility for seeing that we are presented with realistic role models and that ordinary people are portrayed as desirable friends and lovers. If the media were allowed a free hand, they might succeed in permanently inflating our expectations. The resulting rise in unattachment would no longer be temporary but would be structural and lasting. Surely such a prospect must be viewed with alarm.

I have tried to expose here something of this too long neglected social problem and to suggest a few cures. Of course, the analysis is still far from complete, and much more needs to be done. President Carter could demonstrate his leadership as well as his recognition of, and sensitivity to, the problem of unattachment by appointing a commission to study the matter further and to recommend a positive course of action.



Charles Maling is a doctoral candidate in economics at Tufts University. His "Austrian Business Cycle Theory and Its Implications" appeared in Reason Papers *No. 2.*

Anticommunist? Yes.

Cold Warrior? No.

Look again at the foreign policy of Robert A. Taft, and you'll find a deep respect for American liberties.

by Michael McMenamin

Robert A. Taft was not, as his wife was wont to remind voters, a common man. Nor was he a common politician. It is worth remembering, as we look back on such postwar American statesmen as Truman, Marshall, Acheson, Dulles, Byrnes, and Vandenberg and lament the absence in the White House, State Department, and Senate of equivalent figures today, that Taft was described by the otherwise partisan liberal journalist Richard Rovere as the "ablest figure in American politics," whose integrity, intelligence, and independence made him seem, "alongside the papier mâché statesmen of the period, almost a figure of granite."

From the late 1930s to his death in 1953, Taft offered a principled and largely consistent counterpoint to the expansionist New Deal foreign policies of Roosevelt and Truman. He advocated neutrality and nonintervention in the European war prior to Pearl Harbor. Less than a week before Pearl Harbor, despite his acknowledged preference for a British victory and abhorrence of National Socialist Germany, he attacked the most conservative members of the Republican Party for advocating American intervention against Germany. After World War II he strongly opposed the formation of NATO and the permanent stationing of American troops in Europe yet supported creation of the United Nations. He characterized as a "brazen disregard of law" Truman's sending American troops into combat in Korea without the consent of Congress.

MR. AMERICAN

Why study Taft and his foreign policy today? For one thing, Taft's national career spanned the critical period from the late '30s to the early '50s, during which the national consensus on foreign policy underwent a radical transformation from isolationism to internationalism. His foreign policy likewise had to be adapted to the transition from a nonnuclear to a nuclear world. Further, that evolution occurred in the crucible of national politics, with Taft as Senate majority leader and presidential candidate.

Finally, as one of his strongest critics, John Armstrong, conceded, in the realm of foreign policy Taft "was more than Mr. Republican. He was Mr. American. It was he, perhaps better than anyone else, who voiced the doubts and prejudices, the hopes and fears, the frustrations, the hesitations, and the dissatisfactions that the American people felt as they slowly and ponderously went about the business of adjusting to their changed role in the world." Taft's foreign policy positions "caused thoughtful Americans to rethink their position, if only to refute him, and he repeatedly reminded the country there *are* limitations on what we as a nation can and should do in the field of foreign affairs."

Throughout his career Taft was pejoratively characterized as an "isolationist" by those who supported and fostered the internationalist foreign policy symbolized by Henry Luce's "American Century" series of editorials. He was portrayed in the press as a provincial, conservative, midwestern politician.

On war: *The results of war may be almost as bad as the destruction of liberty and, in fact, may lead, even if the war is won, to something very close to the destruction of liberty at home.... War, undertaken even for justifiable purposes... has often had the principal results of wrecking the country intended to be saved and spreading death and destruction among an innocent civilian population. Even more than Sherman knew in 1864, "war is hell." War should never be undertaken or seriously risked except to protect American liberty.*

On the garrison state: *...no nation can be constantly prepared to undertake a full-scale war at any moment and still hope to maintain any of the other purposes in which people are interested and for which nations are founded....it requires a complete surrender of liberty and the turning over to the central government of power to control in detail the lives of the people and all of their activities. While in time of war people are willing to surrender those liberties in order to protect the ultimate liberty of the entire country, they do so on the theory that it is limited surrender and one which they hope will soon be over....an indefinite surrender of liberty such as would be required by an all-out war program in time of peace might mean the final and complete destruction of those liberties which it is the very purpose of the preparation to protect.*

A politician he was, and not particularly ashamed of it. A provincial he was not. Robert Taft was the son of a president, and as a young boy he traveled widely through Europe and the Orient. He experienced American imperialism first-hand, living in the Philippines for three years when his father was appointed one of the American commissioners shortly after the Spanish-American War. Taft went to prep school in Connecticut; college, at Yale and Harvard Law. During World War I, after being rejected by the Army on two occasions for poor eyesight, he went to work in Washington for Herbert Hoover, then head of Wilson's Food Administration. After the war he joined Hoover in Europe as legal advisor to the American Relief Administration. While there, the young Taft observed the ravages of war, the duplicities and intrigue of Versailles, and Allies' postwar blockade of food to starving German civilians.

Returning to Ohio after the war, Taft entered state politics. As the son of a former president and chief justice, he achieved almost instant national prominence upon his election to the US Senate in 1938, and he wasted no time in capitalizing on it. On his second day in the Senate he attacked FDR's foreign policy as likely to lead to war and called for strict neutrality and nonintervention in European affairs.

FOREIGN POLICY RHETORIC

Jimmy Carter talked a lot in the 1976 presidential campaign about having a foreign policy as good as the American people, implicitly suggesting that the policy we had—which bears the rough outline of the one installed by FDR back in 1938—was not so good. After two and a half years in office, however, it is difficult to see where Jimmy Carter has genuinely reexamined any of the basic foreign policy outlines of the last 40 years.

Carter's diplomatic triumphs have occurred precisely in those areas where Henry Kissinger had already established a solid foundation—China and the Middle East. Indeed, the initiatives that led to the Camp David accord were forced upon the unwilling American president by Israel and Egypt, whose leaders were both alarmed by Carter's unrealistic pursuit of a comprehensive Middle East peace treaty.

Carter's only genuine departure from the past—an ill-defined commitment to human rights as a cornerstone of foreign policy—has turned out to be merely rhetorical, calling to mind H. L. Mencken's devastating essay "The Archangel Woodrow." As with Carter, Woodrow Wilson was similarly inclined toward "gaudy processions of mere counter-words."

"The important thing," wrote Mencken, "is not that a popular orator should have uttered such vaporous and preposterous phrases but that they should have been gravely received."

More than halfway through his term, Carter's foreign policy is still widely perceived as erratic, inconsistent, at times amateurish, and, above all, lacking any unifying theme or principles. While many commentators have offered their opinions on the causes, maybe the answer is simply that a foreign policy ought to be based on something more than piety and ambition.

REAL LIBERTY

Robert Taft's ideas on foreign policy were based on liberty.

> No one can think intelligently on the many complicated problems of American foreign policy unless he decides first what he considers the real purpose and object of that policy. . . . Fundamentally, I believe the ultimate purpose of our foreign policy must be to protect the liberty of the people of the United States. . . so that they may achieve that intellectual and material improvement which is their genius and in which they can set an example for all peoples. By that example we can do an even greater service to mankind than we can by billions of material assistance—and more than we can ever do by war.

Liberty was a comfortable word for Taft. He used it often. More importantly—and this distinguished him from most of his contemporaries as well as virtually all of today's politicians—he didn't use the word lightly. He knew, in the best classical liberal tradition, precisely what liberty is.

> And when I say liberty I do not simply mean what is referred to as "free enterprise." I mean liberty of the individual to think his own thoughts and live his own life as he desires to think and to live; the liberty of the family to decide how they wish to live, . . . and how they wish to spend their time; liberty of a man to develop his ideas and get other people to teach those ideas, if he can convince them that they have some value to the world; liberty of every local community to decide how its children shall be educated, how its local services shall be run, and who its local leaders shall be; and liberty of a man to run his own business as he thinks it ought to be run, as long as he does not interfere with the right of other people to do the same thing.
>
> We cannot overestimate the value of this liberty of ideas and liberty of action. It is not that you or I or some industrial genius is free; it is that millions of people are free to work out their own ideas and the country is free to choose between them and adopt those which offer the most progress. . . .

On nonintervention, the "policy of the free hand": *Our traditional policy of neutrality and non-interference with other nations was based on the principle that this policy was the best way to avoid disputes with other nations and to maintain the liberty of this country without war. . . . It has never been isolationism; but it has always avoided alliances and interference in foreign quarrels as a preventive against possible war, and it has always opposed any commitment by the United States, in advance, to take any military action outside of our territory. It would leave us free to interfere or not interfere according to whether we consider the case of sufficiently vital interest to the liberty of this country. It was the policy of the free hand.*

On the imperial presidency: *If the President has unlimited power to involve us in war, then I believe that the consensus of opinion is that war is more likely. History shows that when the people have the opportunity to speak they as a rule decide for peace if possible. It shows that arbitrary rulers are more inclined to favor war than are the people at any time.*

It has been a long time since Americans have heard a nationally known politician from a major party speak of economic liberties and civil liberties in the same breath with genuine understanding. Yet it was Taft's firmly held belief in both civil and economic liberty that formed the core and served as the anchor for his foreign policy views—as is clear if we look at what he said about such issues as war, imperialism, and conscription. And it is from this perspective that one must view Taft on foreign policy in order to obtain a clear idea of what he was trying to accomplish.

NO BLOODLUST

During his lifetime, Taft was not without his critics. Immediately prior to formal American entry into World War II, Arthur M. Schlesinger, Jr., bitterly attacked the noninterventionist position of Taft and many other Republicans, accusing them of harassing, sabotaging, and obstructing FDR in his attempts to destroy Nazism and pointing to the business community as the Republican element most responsible. Taft's response to Schlesinger is worth repeating.

> The most conservative members of the party—the Wall Street bankers, the society group, nine-tenths of the plutocratic newspapers, and most of the party's financial contributors—are the ones who favor intervention in Europe. Mr. Schlesinger's statement that the business community in general had tended to favor appeasing Hitler is simply untrue. I have received thousands of letters on both sides of the question, and I should say without question that it is the average man and woman . . . who are opposed to war. The war party is made up of the business community of the city, the newspaper and magazine writers, the radio and movie commentators, the Communists, and the university intelligentsia.

Schlesinger, to his credit, presently has a more sanguine opinion on the merits of Taft's foreign policy views. But then, Vietnam was a watershed for a lot of liberals. The United States "lost" in Vietnam, however, and that can explain much. We "won" World War II, and those liberals who were hawks before the war (willing to go to war against Germany and Nazism) remained hawks after the war. They merely found a new target—the USSR and Communism. The liberals couldn't understand why Taft, a noninterventionist both before and after World War II, didn't share their bloodlust.

Taft was convinced that the Russians would not start a war unless there was a "direct invasion of Russia or a satellite country by American or UN troups." No one invaded Russia, of course, and the USSR did not go to war. But this did not stop the liberals' attack on Taft from reaching near-hysterical McCarthyite proportions. The *Nation* argued that Taft was "following a line almost indistinguishable from that of the Communists" and compared Taft to the far-left congressman

Vito Marcantonio, who had also publicly worried that the power of Congress to declare war had been unsurped by Truman's sending troops to Korea. The *New Republic* criticized Taft in similar terms.

Sen. Wayne Morse of Oregon, then a Republican (later an independent and finally a Democrat) also attacked Taft in semihysterical tones, accusing him of giving "aid and comfort" to the USSR by voicing his opinion that the Russians did not intend to start a war. Taft, Morse claimed, had embraced Soviet claims of their devotion to peace and implicitly supported Russian allegations of US warmongering. Taft's opposition to NATO was equated by Morse with the Russians' "lying propoganda" on the same issue. Unlike Schlesinger, Morse, who also became a well-known dove on Vietnam, never had the good grace to apologize for or concede the error of his venomous assaults on Taft.

McGeorge Bundy, the national security advisor for Presidents Kennedy and Johnson and one of the key architects of our Vietnam policy, was also a harsh contemporary critic. Foreshadowing the pragmatic "tough-minded" approach that would endear him to Kennedy and Johnson, Bundy criticized Taft for his strong opposition to the notion of preventive war, for his open mistrust of almost all military men, and for his dislike of the fact that we were in a great power struggle with the USSR.

On peace-time conscription after World War II: *It is useless to destroy totalitarianism in Germany and Japan and then establish it in the United States. . . . Government controls such as peace-time military conscription, which would have been indignantly rejected in the nineteenth century, are given serious consideration, even in this country. . . . Many people who would indignantly deny any soft feeling for state control are advocates of measures which lead inevitably in that direction because they are dissatisfied with the necessarily slow progress involved in a government where all the people are given a voice . . . . The war has required a suspension of many freedoms, and the people have become so used to regulations that they almost forget what freedom is. The danger of totalitarian government is that the people do get used to it, as to a narcotic.*

It is said that [conscription] will teach the boys discipline and that they need it. My own opinion is that we need more initiative and original thinking and less discipline, rather than more. . . .

TAFT RECONSIDERED

Scholarly interest in Taft, and particularly his foreign policy, has recently undergone something of a revival. Henry Berger was among the first to reexamine Taft's positions, and his essay "Senator Robert A. Taft Dissents from Military Escalation," in *Cold War Critics* (edited by Thomas G. Peterson), is still the most perceptive in recognizing the libertarian origins of Taft's foreign policy views and analyzing them within that context.

James Patterson, in his recent Taft biography, *Mr. Republican*, also recognizes these origins but frequently fails to consider them when analyzing various Taft positions. In fact, Patterson argues that Taft was more in accord with the bipartisan consensus on foreign policy than was commonly recognized, echoing a theme that he develops from other facets of Taft's public life—that is, that Taft was not a blind hide-bound conservative like many of his followers but instead was a classical liberal on political and economic issues, with a contemporary liberal approach on issues like federal aid to housing and education.

Ronald Radosh, in his book *Prophets on the Right*, implicitly disagrees with Patterson's foreign policy conclusion. Radosh's two chapters on Taft's foreign policy are the most comprehensive treatment presently available, yet even he does not appear to fully appreciate the libertarian origins of Taft's foreign policy or to analyze them in such a context.

For Taft's positions on foreign policy had gradually evolved into a rather elaborate whole. Individual liberty for Taft was not necessarily an active end of foreign policy; our foreign policy was not to promote the growth of liberty in this country. It was enough for Taft that domestic liberty in a passive sense be preserved and that foreign policy be conducted so as not to threaten American liberty. This meant the avoidance of a serious risk of war—chiefly because of the *internal* threat to our political and economic liberty from the total mobilization of the nation caused by modern war, rather than because of any *external* threat to our country from an aggressor. (Taft believed that no nation ever posed any serious threat to our territorial integrity that could not be successfully handled by adequate air and naval forces).

On a "bipartisan" foreign policy: *If we permit appeals to unity to bring an end to criticism, we endanger not only the constitutional liberties of the country, but even its future existence. . . . It is part of our American system that basic elements of foreign policy shall be openly debated. It is said that such debate and the differences that may occur give aid and comfort to our possible enemies. I think that the value of such aid and comfort is grossly exaggerated.*

AID WITH CAUTION

Taft, however, was neither a pacifist (although his wife came close to being one, threatening at one time in 1938 to get herself arrested if the government tried to take us into war) nor a hard-core isolationist. He never believed in "peace at any price" and consistently favored aiding friendly countries under certain conditions. These conditions were stringent, however, and were never quite flexible enough to suit his interventionist critics:

Prior congressional approval of assistance. Taft believed that presidents, acting alone, are far more likely than Congress to take the nation into war. Taft wanted no president to have sole power to decide war or peace.

No preexisting obligations by treaty or otherwise to furnish assistance. Taft called this the "policy of the free hand": without advance commitments to intervene militarily outside our own territory, we would be left free to decide each such issue solely on whether it was of "sufficiently vital interest to the liberty of this country."

Assistance only within our capability. Taft always recognized that the United States can't police the world, that the national-security state created by Truman had a price tag.

> The people of the United States constitute only 6 per cent of the population of the globe. Our raw materials are certainly not more than a third of the world's resources. Our huge production is still less than one third of the world's production. Our people cannot, and do not desire to, boss the internal affairs of other countries. They cannot send armies to

On imperialism: *It is easy to slip into an attitude of imperialism and to entertain the idea that we know what is good for other people better than they know themselves. From there it is an easy step to the point where war becomes an instrument of public policy rather than the last resort to maintain our liberty.*

Our fingers will be in every pie. Our military forces will work with our commercial forces to obtain as much of world trade as we can lay our hands on. We will occupy all the strong strategic points in the world and try to maintain a force so preponderant that none shall dare attack us. How long can nations restrain themselves from using such force with just a little of the aggressiveness of Germany and Japan? Look at the history of the British Empire, how a trading post in India extended itself into a rule over 300,000,000 people. . . . Potential power over other nations, however benevolent its purpose, leads inevitably to imperialism. . . . It is completely contrary to the ideals of the American people and the theory that we are fighting for liberty. . . . Certainly however benevolent we might be, other people simply do not like to be dominated, and we would be in the same position of suppressing rebellions by force in which the British found themselves during the nineteenth century.

block a Communist advance in every far corner of the world. Consequently, we must consider the cost of the policies we adopt, both in men and money, and we are forced to be selective in determining the relative value and cost of each project.

Assistance only upon request. Taft was always sensitive (and therefore opposed) to telling other nations what is good for them and aiding them whether or not they want help.

> Fundamentally, I doubt if the standard of living of any people can be successfully raised to any appreciable degree except by their own efforts. We can advise; we can assist, if the initiative and the desire and the energy to improve themselves is present. But our assistance cannot be a principal motive for foreign policy or a justification for going to war.

ON THE SOVIET SPECTER

Taft's views on relations with the Soviet Union have particular relevance for us today. In the years immediately after World War II, his influence in the Republican Party had never been higher. During that same time, as shown by Daniel Yergin's perceptive book, *Shattered Peace: The Origins of the Cold War and the National Security State*, the Cold War started in earnest. We still live in that bipolar world, and Taft's postwar application of his foreign policy principles to our relations with the USSR demonstrate that anticommunism need not result in confrontation or an interventionist foreign policy. This is particularly important today when we have a Brzezinski sitting at a righteous president's right hand, daily urging him to prove his manhood with the Russians, all within the shadow of Truman's "The Buck Stops Here" plaque.

Despite the liberals' McCarthy-like attacks on him, Robert Taft was an anticommunist without peer.

> Let me say that no one is more determined to resist Communist aggression in the world than I am. I think the Russians present a menace to the liberty of the entire world and to our way of life, a menace greater than we have faced in our history.

But he was not a mindless Red-baiter, playing little boys' games of tit-for-tat, dares, and name calling. As Taft told Grenville Clark in a private letter in 1948, he found it "most discouraging to have the President so disposed to believe that Russian governments always desire to conquer the world."

Taft never adhered to the "Riga Axioms" (postulated by Yergin in *Shattered Peace*)—the view of Russia as a world revolutionary state, which motivated the Truman administration's containment policy toward the USSR's alleged "aggression" after World War II. Indeed, considering that he was not privy to FDR's foreign policy decisionmaking process, Taft showed a surprising appreciation for his underlying "Yalta Axioms" (again, Yergin's phrase)—the balance-of-power, traditional spheres-of-influence policies followed by Roosevelt. In a speech in 1950, Taft observed that the Soviet Union had

> shown no sign of impending military agression. In four years they have not moved beyond the line of occupation given them in substance at Yalta.

In a Senate speech in March 1948, echoing his letter to Grenville Clark, Taft stated:

> I know of no indication of Russian intention to undertake military aggression beyond the sphere of influence which was originally assigned to them. The situation in Czechoslovakia was indeed a tragic one, but Russian influence has predominated there since the end of the war.

In his own book on foreign policy, Taft indicated an acute appreciation of the USSR's security needs.

> If [the Russians] do not have the intention of starting a third world war, then I believe there is only one incitement on our part which might lead them to change their minds and begin such a war. That would be the creation of a condition in which Russia feared the actual invasion of Russia or invasion of some satellite country sufficiently close as to threaten the future invasion of Russia.

He firmly believed that the Soviet Union was more of an ideological than a military threat.

> The threat of communism against liberty is not by any means a purely military threat—in fact, if we had only to face the military strength of Soviet Russia I think there would not be any such concern as we see today.
>
> Communism is strong because it has developed a fanatical support and missionary ardor, which have spread throughout the world and appealed everywhere to some of those who are dissatisfied with their present condition. It is a threat because it has developed methods of infiltration and propaganda well-fitted to this missionary ardor and has succeeded in building up, even in the most free countries, at least a strong minority of people who form in effect, a fifth column behind our lines.

And Taft argued that the Soviet Union ought to be met in this arena and not on the battlefield.

A war against communism in the world must finally be won in the minds of men....Far from establishing liberty throughout the world, war has actually encouraged and built up the development of dictatorships and has only restored liberty in limited areas at the cost of untold hardship, of human suffering, of death and destruction beyond the conception of our fathers. We may be able to achieve real peace in the world without passing through the fire of a third world war if we have wise leadership. Communism can be defeated by an affirmative philosophy of individual liberty, and by an even more sincere belief in liberty than the communists have in communism.

BEYOND IMPERIALISM

By the time of the Greek crisis in 1947, Yergin writes, the Truman administration had largely been converted to the "Riga Axioms." The Soviet Union was seen as a world revolutionary state bent upon aggression, only understanding force, and not susceptible to traditional negotiations.

Taft, as we have seen, had not been converted. His reactions to the Greek crisis in 1947, the formation of NATO in 1949, and Truman's decision to send more American troops to Europe in 1951 are instructive examples of a noninterventionist, albeit anticommunist, foreign policy.

Churchill and Stalin had agreed that Greece would be in the British sphere of influence after the war. When the British announced in February 1947 that they were abandoning the defense of Greece, then in the throes of a civil war (the Communist side being aided more by Tito than by Stalin, who was adhering to his Yalta bargain), Truman leaped at the chance to pick up the fallen British imperial standard.

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

He proposed massive military and economic aid to Greece and Turkey. Taft disagreed. He had questions for Truman:

- Could Greece, even with American aid, defend itself against a Russian invasion?
- How was American "national security" involved?
- What evidence was there that a Communist victory in the Greek civil war would lead to Communist takeovers elsewhere in the Middle East?
- Would the United States permit free elections in Greece?
- Would the United States leave if a freely elected Greek government so requested?

The questions were never answered.

Given the intended scope of the Truman Doctrine at the time, honest answers would have been embarrassing. The Truman Doctrine committed the United States to a global struggle with the USSR, literally seeing a Russian mastermind at work in every local crisis throughout the world. In essence, Truman, having already abandoned the private "Yalta" diplomacy of FDR, now renounced the public diplomacy of his own early presidency and decided that negotiations with Stalin were futile.

TACTICAL ERROR

Taft, however, went along with Truman on aid to Greece and Turkey precisely to strengthen Truman's hand in *negotiations* with the USSR. But he rejected any wider implications of the Truman Doctrine.

I intend to vote for the Greek and Turkish loans for the reason that the President's announcements have committed the United States to this policy in the eyes of the world, and to repudiate it now would destroy his prestige in the negotiations with the Russian Government, on the success of which ultimate peace depends.

I do not regard this as a commitment to any similar policy in any other section of the world.

The Truman administration, on the other hand, clearly did regard aid to Greece as a commitment to similar policies all over the world, had no intention of genuinely negotiating with the Russians for an ultimate peace; and intended the Truman Doctrine to shape all of postwar foreign policy.

Taft's biographer suggests that Taft didn't oppose the Truman Doctrine vigorously because he "lacked any cogent alternative." Taft's alternative, of course, was to do nothing, and the fact that Patterson doesn't find this "cogent" exemplifies his flawed analysis of Taft's foreign policy throughout an otherwise excellent and frequently insightful biography. While more restrained and sympathetic than contemporary academic critics of Taft like Schlesinger and Bundy, Patterson never breaks out of the internationalist mold.

Radosh, on the other hand, does a much better job of analyzing Taft's foreign policy (from a noninterventionist rather than libertarian perspective) and hence, in commenting on Taft's support of aid to Greece and Turkey, flatly states:

Taft's vote in support of the Truman Doctrine must be regarded as a surrender of critical judgment. He had endorsed a policy that was the opposite of a limited and temporary commitment, a program that, in truth, symbolized the perpetual program of anti-Communist interventionism that was to dominate the decade. Perhaps because of his loyalty to Vandenberg, as well as his own anticommunism, Taft stepped back from making the deductions of the critical questions he had raised.

Radosh, however, is too harsh. Taft rarely (if ever) "surrendered" his critical judgment. His Greek vote was at most a compromise, one Taft believed consistent with his principles because he clearly thought he was leaving himself and the country a "free hand" in the future—it was not "a commitment to any similar policy in any other section of the world."

In retrospect, Taft did make a grievous tactical error in not resisting Greek aid and the Truman Doctrine. For Truman *did* regard it as a commitment to the rest of the world. Taft essentially let the Truman Doctrine go unchallenged, and by not resisting aid to Greece, he lost forever *his* free hand in shaping the course of postwar foreign policy.

NO TO NATO

Taft never had another real chance to oppose the increasingly belligerent "world policeman" foreign policy of the Truman administration. When NATO was formed in 1949, he opposed it vigorously.

It is...clear that the pact is a military alliance, a treaty by which one nation undertakes to arm half the world against the other half, and in which all the pact members agree to go to war if one is attacked.

No matter how defensive an alliance may be, if it carries the obligation to arm, it means the building up of competitive offensive armament. This treaty, therefore, means inevitably an armament race, and armament races in the past have led to war.

I am quite willing to consider the providing of assistance to particular countries, at particular times, if such aid seems at

that time a real deterrent to war. . . . But that is a very different thing from . . . arming half the world against the other half.

When the final Senate vote on NATO was taken, Taft was joined by only 12 other senators in voting no. The Truman Cold War policy of global "containment" of communism had taken hold of Congress and public opinion. Taft simply had waited too long to make his stand.

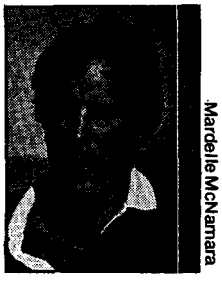
Although the Truman administration had been ambiguous during the NATO debate about any treaty *obligation* to provide arms to Western Europe, two days after the treaty passed, a $1.45 billion military assistance program was introduced by the administration and subsequently passed by a 55-to-24 margin. Two years later, in 1951, Truman proclaimed his unilateral right and intention to permanently station American troops in Europe as part of NATO.

Yet again, Taft strongly opposed Truman's policy, touching off what was referred to at the time as a "great debate" on foreign policy. Taft, as usual, marshaled cogent arguments against a permanent American troop presence in Europe: it would strain the American economy; Europeans would be encouraged to depend upon Americans rather than themselves for their defense; the USSR would be unnecessarily provoked; and Truman had no constitutional right to send American troops abroad in peacetime without prior congressional approval.

But Taft couldn't win. The anticommunist hysteria of 1949 had, with the advent of the Korean war, magnified by 1951. In the end, Taft was reduced to supporting a weak Senate resolution (arguably not binding, anyway) requiring Truman to come to Congress for approval prior to sending *more* than four American divisions (150,000 men) to Europe.

Although ultimately unsuccessful in changing the course of our postwar foreign policy, Taft demonstrated that an anticommunist need not necessarily be a cold warrior and that a foreign policy concerned with preserving internal civil and economic liberties will naturally be more limited in scope and goals than one whose grandiose purpose is to advance human rights throughout the world. It is a lesson from which we can profit today.

Copyright © 1979 Michael McMenamin


Mardelle McNamara

Michael McMenamin is an attorney with a Cleveland law firm. A former contributor to REASON ("Milk, Money, and Monopoly," Mar. 1976, and "The Curious Politics of Deregulation," Jan. 1978), he is the author of a book on the political scandals of the dairy lobby, forthcoming from Nelson Hall.

Hazlett

(Continued from p. 23.)

begin our quest by sticking with the brilliant suggestions—far more brilliant than he suspects—of Mr. Mark Lane. Doesn't he baldly assert that his memo still goes? Then let's do it! Since Lane has called this "an incredible experiment with such vast potential for the human spirit," why not display our data? Let's take Mr. Lane seriously and watch his heart go out when those camera crews go in. The agrarian socialist playground stands ready for motion picture documentation. Roll 'em!

Let us also grant Charles Garry's dream to "make the world see our jewel." It is estimated that a healthy $10 million remains, rejected by the Russians, in the Temple vaults—let's waive the inheritance taxes and build them a monument. Two-thirds of the bodies are unclaimed—let's embalm the cast of characters and return them to the chosen land.

Bodies piled to the sky. Deadly weapons strewn about. Cyanide in the Kool-Aid pitcher. Prison barracks for dormitories. Slogans of "peace" and "sharing" and "brotherhood" scribbled on posters plastered everywhere—always with the mug of Master Jones.

And while those were the first words of Jonestown, a historical landmark might bear the memorable prose of the last, spoken by a man with a gun stuck to the ribcage of Ms. Rauletter Paul, who was reluctant to murder her baby boy at the moment of reckoning: "You dumb bitch, you better do it or we're going to shoot your ass off."

And the marquis out front, in steel letters a hundred feet high, should trumpet Mr. Garry's tribute: "Here lies Jonestown, Guyana. A little jewel the whole world should see."

Thomas Hazlett, a REASON columnist, has published in National Review, Inquiry, *and* Libertarian Review. *He is currently a doctoral student in economics at UCLA, where he is on the staff of the International Institute for Economic Research.*

King

(Continued from p. 28.)

death of John Singer to the murder of Mormon prophet Joseph Smith.

The switchboard at the state capitol was jammed for days. One caller wanted to know, "Who executed John Singer?" To this date, the law enforcement officials have refused to identify any of the 10 officers involved in the shooting, fearing for their lives.

Twenty four hours after John Singer was killed, the entire state capitol, including both houses of the legislature, had to be cleared because of a bomb threat.

The reaction of state officials to the shooting incorporated the "Nuremburg defense" that Singer had objected to with great passion during the postwar trials: Gov. Scott Matheson regretted the death but defended the officers, who were acting "under court order." One Utah State Board of Education member responded, "I'm sorry the man forced the issue the way he did. . . and education is not the only issue here. This is a man who violated the laws of the land. . . . we're inviting chaos when we allow people to choose what laws they will obey."

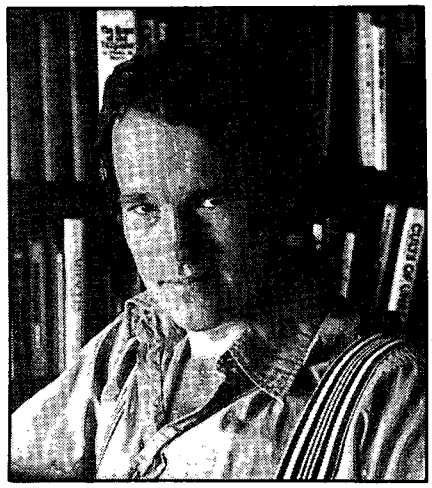
Utah Attorney General Robert Hansen, who was involved in the case, appeared in January before a legislative committee carrying a gun and wearing a bullet-proof vest because of threats against his life stemming from the Singer case. The polygamist culture in Utah is associated with a history of violence, though the Singers were never a part of any of those actions. These threats have been taken very seriously, and undoubtedly, many of them are serious.

Vickie Singer and her seven children have returned to their mountain farm. Some public school teachers who sympathize with the Singers have volunteered to tutor the children, ending the need for state monitoring.

The law enforcement officers, educators, and prosecutors continue to fear many followers of John Singer even though he was buried in the last week of January, along with the "Flag of the Kingdom of God"—a hand-sewn flag representing Singer's allegiance to his own beliefs and his opposition to State control of his children's minds.

Eateries: Whom Do You Trust?

viewpoint



James Dale Davidson

For the better part of the decade I have been assiduously experimenting and gathering information for the following analysis. My purpose has been to discover whether and to what extent one can govern the selection of restaurants on the basis of *some* underlying principles. In other words, how can one straying outside the immediate familiar neighborhood contrive to find a decently prepared meal? It is certainly not a matter of following in the footsteps of Teamsters. Forget the old idea that the sight of 14 trailer trucks surrounding a country diner is a sure clue that a hearty home-made vegetable soup is simmering there on the back burner. It isn't necessarily so. From my experience, truckers are most attracted to way-stops where the food is prepared by able diesel mechanics. While these may indeed be skilled masters, the art at which they excel is unreliably connected with good cooking. Add to this the fact that heavy truck traffic is banned from center cities and most other locales where you would be seeking out a dining spot anyway, and you are back to the same question—where to find a good restaurant?

Having dispensed with the myth that truckers are connoisseurs, the next plausible fall-back position, as in most cases of ordinary ignorance, is to ask someone. Having traveled extensively in recent years, I can report that this, too, is not likely to yield a result any more dependable than random selection. On a number of occasions I have asked apparently reputable strangers where to go in their town to find a good meal. Sometimes, of course, I was well served by their suggestions. More often, I came to suspect afterward that I had queried a substantial stockholder in an antiacid company.

Partly this may be a result of hostility to strangers of the sort encapsulated in many Vermont farmer jokes. The weary traveler asks the farmer, "Do you know the way to Burlington?" Yes... he knows but he won't tell. By the same token, one may experience a certain resistance to the normal tendency to extend a kindness to a stranger. More likely, however, the case of asking for a restaurant recommendation is closely similar to the experience of inquiring as to directions. Ask a few people, and you soon find yourself steered along several contrary routes even when you are seeking a known location. Ask the same people where to dine, and you get the same kind of reply.

This is to be expected—people do not have a very high incentive to serve as effective tour guides on a gratis basis. And even if they did, they might not know a *pâté de fois gras* from a patio. So it doesn't help to ask the question cleverly. It doesn't matter whether you say, "Can you direct me to a good restaurant?" or "If tonight were your honeymoon and you had to go out and celebrate some place in this town, where would you go to eat?"

The next expedient is the tour guide or the printed restaurant review. If you happen to be toting an up-to-date copy of *Gourmet* magazine and it happens to have a story about the town in which you find yourself, then you indeed have no problem. (Or if you have a problem, it runs in the direction of figuring out how to pay for the meal, rather than attempting to determine whether it is worth eating.) More frequently the review you read will be just as suspect as the casual recommendations of the passer-by on the street corner. Most reviewers, especially in local newspapers, run restaurant reviews in informal conjunction with the advertising departments of their publications. For obvious reasons they tend not to hold their would-be clients to a very high standard.

In the days before he turned to endorsing cake mix, Duncan Hines thrived upon the difficulties arising from the lack of independence and an established "brand name" on the part of reviewers. Hines used to spend his time traveling the country, sampling the fares of the various establishments and stamping his recommendations upon those which met his favor. Presumably, even many persons who did not share Hines's taste in every particular found in his judgment a reliable guide. They could presume of a well-recommended establishment that a meal there was a comparatively low-risk experiment.

Unhappily, the sort of service offered by Mr. Hines has faded with the advent of the mass franchise restaurant. Instead of having the brand name identification adhering with the reviewer, it has been capitalized by the operators of the restaurants. The success of Holiday Inns, for example, is in large measure attributable to the fact that they offer a predictable standard of food, as well as clean sheets.

And standardization is even more a factor in the rise of fast-food chains. A MacDonald's hamburger purchased in Oakland, California, will vary only microscopically from one in Sarasota, Florida, or Augusta, Maine. Wherever one travels, one can know what is about to be bitten into, even if that known quality is not as high as one would prefer. Coming upon a MacDonalds, therefore, there is an advantage not to be had in setting sights on "Mama's Country Diner." Mama may be the best cook who ever stirred ingredients into a bowl, or Mama may be a retired Marine sargeant who took over the diner from the previous Mama.

This uncertainty about the quality of the fare offered in independent eateries is a large contributor to their demise. In his classic prophecy of the degeneration of the art of public cooking, "Dining in the Motor Age," Albert Jay Nock foresaw a new type of restaurant catering "to people who come along from God knows where in motor-cars, eager to snatch a bite of anything, and push on." Nock continued, "For the most part, they would eat raw dog without knowing the difference." He attributed a large measure of this effect to the automobile, which has so accelerated the pace of life that people no longer have the patience to wait for a well-made meal. No doubt, this is a large measure of the problem. Another consequence of the increased speed and frequency of travel is that more and more persons find themselves in locales of which they lack an intimate knowledge. Being ill-informed, they need information shortcuts of the sort provided by the brand-name restaurant—

the Emerson's, the Family Fish House, and many others.

That isn't the whole story, however. The question is why the information deficit tends to be solved so predominantly by franchise operations and large corporations offering food standardized within a fairly narrow range of quality. Certainly, part of the explanation is market demand. But that is not the whole story.

At least part of the outcome may be a consequence of the lack of a market for independent verification of food quality. Almost everywhere this function has been short-circuited by municipal and other governments whose generalized health inspections are considered an adequate testimony, rightly or wrongly, of the wholesomeness of food served in commercial establishments. If local governments did not undertake this function, entrepreneurs of various sorts would.

There is little reason to suspect that the standards of the private inspectors would conform to one another or to the uniformly low levels of government inspection—which admittedly aims at no more than ascertaining whether food sold in commercial establishments is fit for consumption. Some of the independent inspectors would no doubt confine their attentions to restaurants of a certain type, such as Chinese, French, Hungarian, or Spanish. Some would aim at restaurants of a certain quality, in much the way that the Michelin Guide rates restaurants in Europe. Still other inspections would be organized as fringe benefits for membership in organizations, such as automobile and travel societies. The sum of these efforts might be to increase the consumer recognition and acceptance of independent restaurants and eating places catering to different and better standards of quality than that common to the nationally franchised establishments.

So if anyone would like to try a little social experiment that would point the way toward better commercial eateries, he might join in an effort to eliminate the post of city health inspector.□

taxes

Budget Wars

The war over a balance-the-budget constitutional amendment has begun. The rattle of political musketry can be heard from the plunging Pacific coastline to the fever-swamps of Washington, D.C. Events are moving inexorably toward a final, earthshaking battle. And the battleground will be the presidential campaign of 1980.

The balanced-budget amendment is not a very new concept. The National Taxpayers Union has been pushing the project for several years now. National polls have been taken throughout the 1970s gauging the public's support of such a measure. The people have backed it with a gusto that virtually no other issue can approach: 78 percent in early 1976, 81 percent in mid-1978, 78 percent again in early 1979.

Now, with California Gov. Jerry Brown having staked out the amendment as possibly *the* central issue of his 1980 presidential campaign, the juggernaut is finally rolling, and everyone's choosing up sides. Because Congress has (of course) refused to even consider any of the balanced-budget proposals before it, the battle has widened to the question whether a constitutional convention should be called to draft an amendment. (Article 5 of the Constitution provides that if Congress opposes the will of the people, as in this case, a convention must be called if two-thirds of the states petition for it.)

In January 1979 a mere 22 of the needed 34 states had passed resolutions calling for an end-run around Congress. By the first week in April, New Hampshire had become the 30th state to join the bandwagon. In California, Brown battled the state legislature's Tammany Hall-like boss, House Speaker Leo McCarthy, who managed to kill a convention petition bill by strangling it in the House Ways and Means Committee. Nevertheless, the movement continued to grow, and President Carter in February organized a confidential task force specifically for the purpose of derailing the drive toward a balanced-budget amendment (and thus Jerry Brown's presidential ambitions).

What will the measure do for taxpayers? Basically, a constitutional amendment to force a balanced budget drives straight at the heart of the most vicious tax of all: inflation. Now, it should be understood that budget deficits do not in and of themselves *cause* inflation, but rather set up the conditions that draw forth that malaise.

It works this way: when the federal government runs gigantic budget deficits (as it has done every year but one since 1960), money is sucked out of the private market and into government coffers for the bureaucrats to dispense. Naturally, this is because tax receipts aren't enough to cover expenditures. That extra money has to come from *somewhere*. And that "somewhere" is borrowing. Going into debt. The process is achieved by the sale of government securities.

When too much capital is drawn out of the private market in this manner, a great hue and cry arises. If the bureaucrats have all the money, how do we build houses, finance expanded farming operations, erect skyscrapers, enlarge manufacturing capacity? We can't. The economy is driven toward a slowdown. Upward pressure increases interest rates as demand confronts a dwindling supply of capital. Politics takes hold. The Federal Reserve Board—for all its supposed political "independence"—is just about *forced* to expand the money supply. The alternative is economic slowdown, recession... disaster—for the politicians in power, that is.

Thus, repeated deficits inexorably draw forth the destructive genie of inflation. Looked at in a certain way, inflation is simply a method for politicians to take people's money, but without having to go on record in favor of increased taxes. No *wonder* they love to run budget deficits like they do! What a great way for our "leaders" to buy votes, even entire constituencies, and not pay any direct price. This, coupled with the obscenity of a "progressive" graduated income tax, spells happy times for bureaucrats, politicians, and tax-eaters of all stripes. As inflation rages higher and higher, we're all forced to earn more money just to stay in the same economic position. But when our incomes go up—even as we struggle to maintain the same standard of living—government steals a progressively *greater* portion of our money. While the tax-eaters prosper and grow "progressively" fatter.

Do we need a constitutional amendment to force a balanced budget? Observe the furor right now, which is on the national scene what Proposition 13 was on the California scene (where the bureaucrats and other special interests screamed and threatened and attempted wholesale reprisals against the taxpayers). The big names are all weighing in on one side or the other. Reagan and the conservatives generally favor the balanced-budget amendment but oppose a constitutional convention, fearing all sorts of unwanted changes (a groundless fear, as it turns out, since the resulting proposals must then be okayed by *three-fourths* of the states). All

(*Continued on p. 48.*)

movies

• Norma Rae • Won't You Come Home, Red Ryder?
• The Chant of Jimmie Blacksmith

• **NORMA RAE** is an exceptional American film—exceptional in that it has significant intellectual content, takes ideas seriously, has a highly literate script, and articulates its ideas coherently and well. In doing all this it insults no one's intelligence; it avoids sentimentality (as opposed to expression of feeling) even when most filmmakers would find the urge to turn in that direction irresistible; it avoids going in for violence even when the occasions depicted are those in which violence could very plausibly arise. And it almost totally avoids clichés, both in characterization and in verbal expression.

Nevertheless, the same intelligence that is required to enable us to appreciate the superiority of this film will also reveal to the perceptive viewer some problems with it—at least reasons why one would not be well advised to swallow its message whole.

There is little doubt that textile workers in the South have, or at least had, certain grievances against their factory owners and managers. Doubtless the reverse is true also, though this is not shown; and factory owners are (and the scene is set in the present) certainly operating under an enormous burden of government regulation, but this is never shown either. If one were to go by the film alone, one would conclude that owners have an easy time of it and that government regulations and regulators never bother them in the least. The film pinpoints the owners as the sole villains; the idea that government is the villain, hostile to the interests of both owners and workers, is never so much as hinted at. The filmmakers would undoubtedly consider this a heretical suggestion.

Let us grant that every worker has the right to join a union (or not to join—an option that the film is less happy to grant him). But does this right carry with it mandatory approval of all the provisions of the National Labor Relations Act? Is one required to applaud all the things unions do, on pain of excommunication from membership in the League of Intellectual Honesty?

This film is just as one-sided as *F.I.S.T.*, only better done. Now, by all means let's keep *Norma Rae* around; but let's also have a film exposing OSHA, the EPA, and other government bureaucracies that are making life difficult for all segments of all industries and lowering our standard of living at the same time. Let such a film expose the government's wasting of resources and how it adds materially to the cost of every product sold. Whether any such film will ever be made (do you want to take bets that it will?) will be as good a test as I can think of, of Hollywood's degree of dedication to fairness and intellectual honesty.

—John Hospers

• In the midst of the Great American Desert, miles from the nearest town, there is a dilapidated little truck stop; a gunman approaches and terrorizes the unsuspecting patrons inside. This is a tempting theme for films because, when well done, it permits high-tension action on a low-budget set, from which the camera barely has to move at all.

Such a theme was successfully exploited in the film adaptation of the stage play *The Petrified Forest* some years ago; and several attempts have been made since, of which the most recent is **WON'T YOU COME HOME, RED RYDER?** Unfortunately, the attempt is unsuccessful.

The Petrified Forest at least had first-rate actors (Bette Davis, Humphrey Bogart, Leslie Howard) and a spring-taut stageplay to work from. *Red Ryder* has a generally amateurish set of actors (led by Marjoe Gortner, who is about as menacing as an angleworm) and spreads itself over more than two hours with little cumulative effect. First there is a scene between A and B, then between C and D, then E and F, and we soon surmise that somehow they're all going to get together in one scene, but before this happens about a third of the film has been frittered away, its potential energy dispersed beyond recapture. Moreover, many aspects of the plot development are just plain stupid (*The Petrified Forest* is somewhat dated today, but never stupid). The idea that one gunman could force six able-bodied people to obey his every whim, humiliating them to the point of dehumanization, is beyond plausibility. That they should "know themselves" better after such an experience may be true, but the film does nothing to show it. To top it all, the gunman is highly articulate and even poetic in his diction, with at least the vocabulary of a graduate student; to make him also a hippie, and sadistic, and trigger-happy, all at the same time, is too improbable a combination to be credible, at least until we learn something of his past, which we never do. Whatever plausible characterization and action were intended to be there, have plainly failed to emerge. What remains is an indigestible goulash.

—J. H.

• Where on the earth is a fresh source of cinematic talent, thus far relatively untapped, to be found? Answer: In Australia. Many Americans were impressed a few years back by *Walkabout*, a bittersweet story of a contact between white and native children in the Australian outback. Today new films like *Picnic at Hanging Rock, The Last Wave, The Getting of Wisdom, The Picture Show Man,* and *Patrick* are ample testimony to a new outburst of creative energy. It is a pity that most of these films won't be shown extensively in the United States, for the new Australian films have probably a higher batting average of merit than those of any other nation, even including France.

Until a few years ago in American films the only good Indian was a dead Indian. Then, in a sudden turnabout, Indians became the good guys and the whites always the villains. Just as the American whites dispossessed and mistreated the Indians, the European whites treated the Australian aborigines in similar fashion; but **THE CHANT OF JIMMIE BLACKSMITH** avoids the mistake of making the natives either all good or all bad.

The film, based on an incident that actually occurred around 1900 in Australia, is the story of one such mistreatment and abuse. The mental cruelty and (usually unconscious) pious hypocrisy of the white toward the aborigine are depicted tellingly in scene after scene: the aborigine works, but is not paid; he is dismissed without reason from one job after another; he is tricked into marriage by a white girl, only to find that he is not the father. The viewer burns with anger and resentment, but even so he is not prepared for the outburst of violence that hits the screen when the patience of the aborigine reaches the sticking point. Though presented with power and artistry, the violence is so graphic that many viewers cannot bear to watch it. Even the beauty of the vast interior of Australia, in which the film was shot, recedes into insignificance compared with the raw and powerful emotionality that is here set forth.

You should see this film by all means, unless you already have heart trouble; but leave the children at home. For an adult, the language and the subject matter should provide a test of one's ability to face reality unprotected by consoling rationalizations and cant.

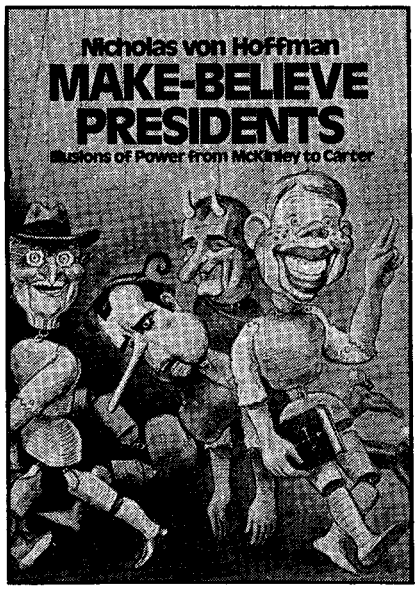
—J. H.

books

Make-Believe Presidents

By Nicholas von Hoffman.
New York: Pantheon. 1978. 260 pp.
$8.95.

Reviewed by Karl Hess



For reasons perhaps having to do with his employment as a syndicated newspaper columnist, Nicholas von Hoffman prefers not to speak openly from a libertarian or anarchist position. But he keeps hinting that that is where he stands. The result probably is confusion for some readers and undoubtedly vast frustration for others.

In this book as in many of his writings, von Hoffman keeps jabbing at dark forces just off stage which, rather than the central figures under the proscenium arch, seem to him to be calling the shots and shooting down our hopes for liberty. The result is a sort of highly charged, metaphor-heavy writing, elliptical, often even orotund, that engages your sense of humor, your sense of outrage, and also your good common sense.

But statist readers surely cannot pierce his veiled writing. With von Hoffman sneering at most political heroes and laughing at most popular villains, where is the proper statist, reared on obedience to obvious authority and sure that every system works if only cranked properly—where does the proper statist look for salvation or accusation?

The libertarian has a different problem reading this lively yet sardonic man. Why, they must groan constantly, doesn't he just come right out and say what he must mean: that the State (or the involuntary servitude that it stands for) is the Enemy, that liberty is the way to sanity, salvation, and the general welfare. Von Hoffman just doesn't write that way. The barbed hint is his heavy-duty weapon, and he is not about to abandon it, apparently, for anything so clear-cut as a yes or no position.

Make-Believe Presidents is a grand case in point. Its main thesis is said to be (by its title and promotion) that presidents, far from being out-of-control imperial figures in our political palace, are actually hemmed in and even hamstrung by forces far greater than they—including forces of sheer bureaucratic inertia. A good point, of course. To ascribe the silliness of the times simply to the silliness of a single person is an affront to accumulated evidence. The trends of the times are simply the extended trends of the past. The so-called Imperial Presidency is not the triumph of an office, at all. It is the triumph of a great, corporate endeavor, of an American collectivism that has been foisting itself on us for generations.

Von Hoffman singles out, as chief architects of this collectivism, two of the presidents whose "make-believe" power wasn't so damn make-believe after all: Woodrow Wilson and Theodore Roosevelt. Both, at least, had the power to epitomize, if not create, important phases of the development of American collectivism. For both, the rhetoric and powers of war, that most collectivizing work, were important tools.

Wilson, beyond his internationalist dreaming, had a more powerful vision for his fellow countrymen than just making the world safe for democracy. The war provided a state-subsidized infrastructure for his older dream: a lumped-together, melted-in-the-pot, collectivized America. Writing in 1880, he put it this way as he extolled the new power of nationwide communications media: "Invisible shuttles of suggestion weave the thoughts and purposes of separate communities together, and a nation which will someday know itself as a single community is making the warp and the woof of the fabric. The extraordinary way in which the powers of the federal government have been suffered to grow in recent years is evidence enough to the process." And that was almost a century ago!

No mistaking von Hoffman's revisionist perception of the collaboration that was bringing it all about. He does not for a minute succumb to the conservative thumb-suck about there being a struggle in America between heroic businessmen and vicious bureaucrats. "By the early 1930's," he writes, "major groups in American capitalism had long been convinced the free market was too risky for large investors. FDR and the National Recovery Administration must be seen as but one of a series of attempts by business primarily, but by others as well, to rectify the misfires and misdirections of the free-enterprise system without damaging or impinging on the property and wealth of the system's largest stockholders." He is fairly careful, after that, to identify the system as *State* capitalism.

The bellicose Theodore Roosevelt, beloved by as many conservatives as Wilson is by liberals, put his imprimatur on the process by calling it the New Nationalism, introduced a good deal of regulatory authority (to protect the general welfare, of course), and also perfected some early models of the sort of small-scale interventionism that could extend the empire at what seemed low cost. Roosevelt I, as was Roosevelt II, was also a master of the rhetoric of reform—that is, changes that secure but do not change.

Although most of the von Hoffman arguments about the development of the Empire will seem familiar to libertarian readers, his greatly entertaining imagery makes it all well worth reading again. (The book is a fine, popularized introduction for anyone *not* familiar with the arguments.) Here, for instance, is an absolutely vintage, but not rare, von Hoffman description: "After the United States had swallowed the Spanish Empire and was lying about belching like a boa constrictor digesting a two-hundred-pound boar, the Hoover administration raised a rumpus when the Japanese slurped up Manchukuo."

Also familiar will be his notion that the reason Nixon was deposed was not that he had nasty habits and a saurian personality but that he acted impractically, trying to bypass the organs of collectivist polity for his own idiosyncratic purposes. To use the CIA, for instance, for any purpose less "social" than protecting ITT is the sort of thing that did him in.

Von Hoffman's view of such supposedly radical notions as consumer protection are consistent with his view that not just

an Imperial President but an entire collectivity of powerful interests ranging from big unions and big business, mediated through big government, are involved in the American Empire.

Having looked at the Empire and the Emperor, however, von Hoffman has trouble telling us where he really stands in regard to it all or in making any suggestions about what can be done to change it —except for two quite contradictory statements, one harshly explicit, the other dishearteningly vague. First, the vague. To "build true and forever" (both artifacts and society) "we must replace management with politics. We must understand we can be manipulated by false harmonies, as we can injure ourselves with the love of discord. Politicize, polarize, ignite the rancors of politics, disunite, crack open the one-party state; no change, no democracy is possible without friction." Hope that some sort of libertarian notion is embedded in that typically elliptical von Hoffman prescription is sustained by his own background of statements at least suggesting a disposition toward liberty and by an earlier statement in this very book that the sort of change he sees as desirable would, at least, be decentralist in direction.

The not-so-vague suggestion is, simply, that violence is the only effective engine of change. His first reference to it is in regard to the interests of black Americans. None of the laws passed to help them, he says, "were carried out until blacks took first nonviolent and then violent action." He does not explore the possibility that the events were either coincidental or causatively *reverse*. Later on, he states it more baldly: "To effect change you have to threaten a slave rebellion, start a riot, set off a mini-revolution, induce a galvanic event outside the marble-pillared buildings with concussion waves severe enough to disturb the eternally mortuarial tranquility within."

Those are deeply important thoughts to be dropped with so little analytical undergirding. Either that, or they are too deeply personal to be discussed at all except in a poem.

Having had such a readable run at supportable revisionist history throughout the body of this book, it is a shame and probably a waste that von Hoffman didn't go ahead and have a better run at what can be done so as not to mindlessly repeat it all. Certainly he could have focused his sharp eyes on the amazing, nonviolent act of revolution whereby an "underground" economy estimated to be as great as $150 billion a year operates in this country. Or he could have snapped with those grandly sarcastic flourishes at the nit-wits now occupying so many corporate boardrooms and doing their level best to make sure that no entrepreneurs get in. Whenever he does look at stumblebums in high places, he can evoke gales of laughter. Good, so far as it goes. What we badly need to know, after the laughs, is whether that's all there is—or is there some serious purpose, statement, and way of living from which the laughter proceeds and which keeps it from becoming merely nihilism and, eventually, mumbling madness.

Karl Hess is the author of Dear America, *which recounts his journey from conservatism to libertarian anarchism.*

In Defense of the Corporation

By Robert Hessen. Stanford, Calif.: Hoover Institution Press. 1979. 116 pp. $7.95.

Reviewed by D. T. Armentano

Ralph Nader has recently fallen on hard times. It is clear that he no longer commands the knee-jerk allegiance of either the press or the Congress. Perhaps his most revealing reversal, though, has been with the public at large. "Recall Ralph Nader" bumper stickers are currently as popular as the Corvair that Nader helped destroy a decade ago.

In one sense this decline in public esteem is remarkable when one considers that there have been few substantive criticisms of Nader's *ideas*. Most of the critical writing on Nader has tended to fault his character or his political style or the fact that, although well-intentioned, he has sought to go too far too fast. But his ideas and his ideology have managed to escape serious challenge. Thus while Nader's personal influence might have declined, the statist intellectual position that he often champions has yet to be officially discredited.

Robert Hessen's *In Defense of the Corporation* may well discredit what still remains of the Nader myth. In this hard-hitting but scholarly account, Hessen wields a rapier that slashes deeply into Nader's theory of incorporation and his proposal for federal chartering of large corporations. Hesson has adopted a thoroughly direct methodology—meet argument with argument, fact with fact, and analysis with analysis—and there is little to salvage of the Nader position when he is through operating.

There are important stylistic virtues in this book that contribute to its overall effectiveness. Hessen has taken an entrepreneurial risk by choosing to write a short book rather than a long, exhaustive treatise. In my opinion, this decision was an eminently sensible one. *In Defense of the Corporation* is a slim volume (116 pages of text) but extremely literate and well organized. We get the Nader position and we get the Hessen analysis; period. There is no getting off the track, no meandering about, no filler, no wasted space. Hessen knows where he is going, and he goes there without delay. This is efficient and sensible writing at its very best.

What Hessen *says* is also perfectly sensible—so sensible that one wonders why anyone has taken Nader's views on corporations seriously. Nader et al. share a common conception of the corporation that Hessen labels the "concession" theory. According to this notion, corporations are "creatures of the State" with State-created privileges and immunities not available to noncorporations. The alleged quid pro quo for these privileges is that corporations "consent" to be regulated by the State in the public interest. Further, Nader has contended that all large corporations are run by a self-perpetuating management "autocracy" that runs ripshod over legitimate stockholder interests. Nader would remedy this situation by mandating shareholder participation in all important managerial decisions. Finally, under federal chartering, corporations that sell more than 12 percent of a market for more than five years might be divested in order to restore "competition."

Perhaps the most interesting and innovative aspect of Hessen's analysis is his historical treatment of the concession theory. Most of the corporate critics see the corporation as an artificial entity with privileges from the State that require some quid pro quo. Hessen argues that this concessionary view cannot be logically or historically applied to the modern business corporation. Since the enactment of *general* incorporation statutes (Connecticut, 1837), corporations have simply been voluntarily formed organizations created through freedom of contract and association. The State's role is thus seen as purely *procedural* and the corporate charter itself as purely *informational*. If he follows the rules, *anyone* can form a corporation; the State then *records* that information as it would a birth or a marriage. Finally, according to Hessen, the organization formed has no more rights—and no fewer—than those of the individuals that formed it.

Hessen strongly disagrees with the notion that the corporation must be seen as some special "entity" with an existence apart from those who own or manage it. He also strongly opposes the idea that the special features of incorporation are "privileges" in the usual sense. Indeed, Hessen maintains, entity (legal) status, "perpetual life," and limited liability

could be achieved—and historically *have* been achieved—through voluntary contract without the State.

Hessen prefers to treat these features as legal conveniences rather than as grants of privilege from the State. It is legally *convenient* for purposes of business that the corporation be treated as a single legal entity—but this is not unique to corporations. It is legally *convenient* that the articles of incorporation not be renewed, but certainly this cannot be construed as a governmental privilege. And finally, limited liability is a legal convenience that could be accomplished without the State; each corporation would place a clause in every contract limiting the right of recovery to some designated fund—and not the shareholders' individual property.

Limited liability for torts, on the other hand, *is* seen as a privilege, and the law should be amended:

> The proper principle of liability should be that whoever controls a business, regardless of its legal form, should be personally liable for the torts of its agents and employees....The safeguards open to general partners and corporate officers would include more careful selection and closer supervision of personnel and the purchase of larger amounts of liability insurance.

I would make two specific criticisms of Hessen's book. The first is that his "inherence" theory of incorporation—that corporations are legitimate since they are created and sustained by an "exercise of individual rights"—is, *itself*, nowhere defended. It is asserted (or taken for granted) that individuals have natural rights, but nowhere is it argued or demonstrated that they do. This failure to provide justification for a theory of rights is, of course, crucial, since it can always be maintained (by the statists, to whom the argument in this book is presumably directed) that no such natural rights exist or that we are simply talking "religion."

A second criticism is that the author may not have marshaled *all* of the intellectual support for some of his positions that he might have. For example, economists such as Harold Demsetz, Yale Brozen, John McGee, and Robert Bork have written eloquently on the efficiency of industrial concentration and upon the nonsense of forced deconcentration; yet these heavyweights do not appear (even in a footnote) in Hessen's chapter "Breaking Up Big Business." This is a solid chapter, and Hessen's arguments are valid; but why make a less effective case against the likes of Robert Dahl and Willard Mueller than is possible?

These minor caveats, however, cannot subtract from the overall effectiveness of this monograph. It is powerful reading and deserves to be well received.

D. T. Armentano is the author of The Myths of Antitrust. *He teaches economics at the University of Hartford.*

Book Hints

a selective mention of books received

Meddlers in the economy have seen to it that these are bad times, and it is not surprising that thoughtful people are looking to the wisdom of the past. For starters, Arlington House has brought out a new edition of Henry Hazlitt's classic, *Economics in One Lesson* (1979, 218 pp., $8.95), with updated data, a new chapter on rent control, and a final chapter: "The Lesson after Thirty Years." In the 1930s and '40s, a man named Edward C. Riegel was a prolific author (*The Meaning of Money, Dollar Doomsday, Private Enterprise Money, The New Approach to Freedom,* to name some of his works), a harsh critic of deficit spending and the New Deal, and a fierce defender of individual freedom. He never had a degree and printed many of his books himself. He might have passed into oblivion but for the Heather Foundation (San Pedro, Calif.), which has reprinted his *New Approach to Freedom* (1976, 109 pp., $10.95), adding some essays from his other writings, and published a book that was in draft form when Riegel died in 1954—*Flight from Inflation: The Monetary Alternative* (1979, 168 pp., $13.95/$6.95). In *Forty Centuries of Wage and Price Controls* (Washington, D.C.: Heritage Foundation, 1979, 184 pp., $9.95), Robert L. Schuettinger and Eamonn F. Butler show how government is invariably the cause of inflation and how wage and price controls, popular with governments since the time of Hammurabi, invariably don't work. And in the new, paperback edition of his bestseller, *A Time for Truth* (New York: Berkley Books, 1979, 280 pp., $2.50), William E. Simon says in a new epilogue that he really did mean it when he said things were bad—and he means it even more now.

For those who are trying to make their own way out of these bad times: *The Incredible Secret Money Machine*, by Don Lancaster (Indianapolis: Howard W. Sams & Co., 1978, 159 pp., $5.95 paper), tells how to set up your own computer, craft, or technical business. *Job Opportunities in the Black Market*, by Burgess Laughlin (Portland, Ore.: EBLJ Publishers, 1978, $6.00 paper), surveys working conditions in the illegal but victimless economy and describes the role of retailers, wholesalers, entrepreneurs, etc., in the black market. *Black Market Operations*, on the other hand, by Ted Roselius and Douglas Benton (Mason, Mich.: Loompanics Unlimited, 1979, 102 pp., $6.00 paper), purports to be, not a self-help manual, but an application of marketing theory (by two business-school professors) to the fencing of stolen goods. Loompanics also offers a *Directory of Mail Drops in the United States and Canada* (plus some foreign countries), compiled by Michael Hoy (1979, 22 pp., $4 paper). And Dennis D. Murphy has updated his *Directory of Conservative and Libertarian Serials, Publishers, and Freelance Markets* (2d ed., 1979, 64 pp., $4.95 paper).

And just for fun: *Made in America: Eight Great All-American Creations*, by Murray Suid and Ron Harris (Reading, Mass.: Addison-Wesley, 1978, 186 pp., $10.95/$5.95), gives the history of Coca-Cola, Frisbee, King Kong, Levis, McDonald's, Monopoly, Superman, and TV, along with photos, games, activities, drawings, etc. Fun! *Why Johnny Can't Run, Swim, Pull, Dig, Slither, Etc.*, subtitled *A Fairytale for the Young at Mind*, by Jason Alexander (San Francisco: Sitnalta Press, 1978, 206 pp., $5.95 paper), is a romantic tale that manages to get in philosophical, political, and aesthetic comment and uses plenty of photos (of art work) and drawings. And *The Case of the Philosophers' Ring*, by Dr. John H. Watson, "unearthed by" Randall Collins (New York: Crown, 1978, 156 pp., $7.95), has Sherlock Holmes working on an intrigue involving Bertrand Russell, Ludwig Wittgenstein, John Maynard Keynes, G. E. Moore, G. H. Hardy, etc.

—M. Z.

Overload

By Arthur Hailey.
New York: Doubleday. 1979. 402 pp.
$10.95.

Possibly not as dramatic as Hailey's famous *Airport* or *The Moneychangers*, this latest novel is much more realistic and prophetic, in a way, of things to come. The story of the "Golden State Power & Light Company (translate: Pacific Gas & Electric and Southern California Edison) versus the "Sequoia Club" (translation obvious) and two groups of radicals, one bent on public harassment and the other on underground violence to utility facilities and people, this novel weaves together a number of utility executives and their opposition in an adroit and colorful way.

The utility is being opposed in everything it seeks to do—increase rates to keep up with high fuel and operating costs, get site approval for a new 5 MW coal plant, an additional geothermal

field, and a pumped storage project. Typical is the "old guard" conservatism that muzzles the star, relatively young Nimrod Goldman as vice-president of planning and principal company spokesman, into turning the other cheek when baited by the radicals in public hearings and TV appearances. Typical is the anti-utility attitude of the press and the biased news stories tending to make the utility look bad. Typical is the effort by the utility to win press friends by guided tours of its facilities, in particular the "Fincastle" (translate: Geysers) geothermal project and the "Devils Gate" pumped storage project (translate: Helms). Author Hailey did his homework on this one and has an accurate depiction of a trip through a tailgate tunnel to reach an underground power plant.

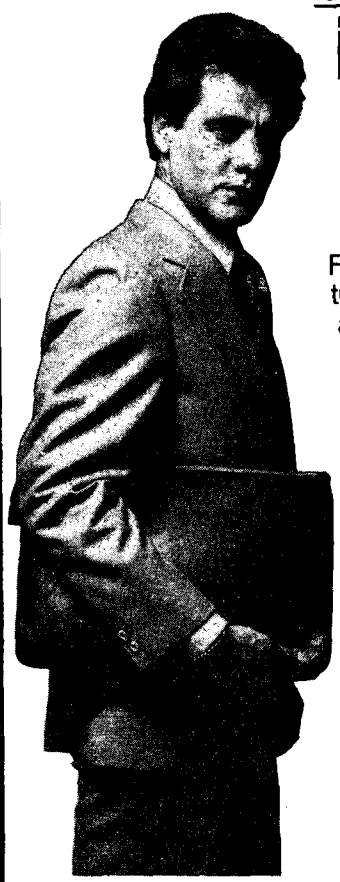
Acts of sabotage abound, from the blowing up of part of a main power plant to the destruction of substations and letter bombs to utility executives. The characters and motivations of the radicals are developed rather well by Hailey.

Goldman slips and in a public hearing takes a hard line. "Forty percent saving from conservation is unrealistic and a figure you probably pulled out of the air, the way you do most of your other accusations," he replies to his tormentor. "The best that conservation will do—and *is* doing already—is to help offset a part of new growth and buy us a little time. Time to let the bulk of people realize they are facing an electrical crisis which can change their lives—for the worse—in ways they never dreamed of," he adds. Later he continues, "Spare us any sanctimonious drivel about *you* representing the people. You don't. *We* represent the people—ordinary, decent normal-living people who rely on power companies like ours to light and heat their homes, and keep factories working, and do the million other things *you'll* cut people off from if you and your kind have their selfish, shortsighted way." He charges that the hearing and others like it are a "futile, time-wasting, costly charade," that the taxpayers "get stuck with paying millions for this crazy, counterproductive, comic-opera pseudo-system. We pretend that what we are doing here makes sense and reason when all of us on our side of the fence know damn well it doesn't."

Of course, Mr. Goldman is instantly replaced as company spokesman but in time is vindicated. Discovering the professional ring behind massive thefts of power and gas by meter shunts helps, especially when the retired Supreme Court justice hired to be the new company spokesman is implicated in those thefts.

But the real heroine in all of this is a black antiutility reporter who decides to investigate the radical groups and finds a

What kind of man expects 50% return or more on his investment?



A man who invests with us in commodities.

In fact, we have been able to earn profits of 50%, 75%, and over 100% per year since 1974. Fully documented, of course!

For example: Although 12 month participation is recommended, in just three months, a Boston client watched his $4500 grow to over $5800 . . . a Kansas City client saw $18,000 increase to almost $23,000. And Mr. A.P.'s account, one of our larger ones, has grown from $154,000 on January 1st to over $200,000 in the same period of time.

Naturally, we can't guarantee future performance, but more and more prudent investors are trading commodities because there is unlimited profit potential with a limited risk at P.M.A.

Precious Metals Associates, Inc., is one of the most respected full service licensed brokerage firms in the country, with profit opportunities available in gold, silver and copper, grains, meats and world currencies.

If you'd like to know about the investment advantages of commodity trading, simply fill out the coupon and mail it today! Perhaps you'll be one of our next successful investors!

Mail to:

PMA commodities

133 Federal Street
P.O. Box 2776
Boston, Mass. 02110

DIAL TOLL FREE: 800-225-2486
MON.-FRI.-9-6
(617) 338-2100

☐ Please send me your free booklet on Commodity Trading
☐ Please send me your latest "Buy" recommendations.

For your benefit, please print or type all information clearly.

Name_____

Address_____

City_____ State_____ Zip_____

Business Phone_____

Home Phone_____

PMA is Federally registered as a Futures Commission Merchant, Commodity Pool Operator and Commodity Trading Advisor.

REAS

connection between them and a $50,000 payment by the Sequoia Club that ended up paying for sabotage of the utility facilities. The final plot—to blow up a hotel housing a utility executives' convention, using bombs disguised as fire extinguishers—is foiled in the nick of time by the reporter's detective work. When the story breaks, along with massive power blackouts caused by a combination of normal shutdowns and more sabotage, the press and politicians change, but several years too late.

The story, of course, also has its lurid moments, with Goldman occupying various beds at times and ending up with the black reporter, in spite of a faithful wife of 15 years and two children. But these are down-played by Hailey, and the principal drama is the utility's fight to keep up with power demands and protect its facilities. Hailey does an excellent job on some of the sorrowful moments involving deaths or incapacitating injuries, including that of a spunky quadriplegic whose breathing-maching battery runs down in a blackout while her rescuers are trapped in an elevator.

Overload should be required reading for politicians and pseudo-environmentalists. It *can* happen here, and much of it already has.

—R. W. Johnson

SEND reason EACH MONTH

☐ 1 year, $19.50
(save $4.50 off single-copy rates)
☐ 2 years, $34.00 (save $10.00)
☐ 3 years, $45.00 (save $27.00)

☐ payment enclosed ☐ bill me

name_____

address_____

city_____ state_____

zip_____

Mail to: REASON
Box 40105
Santa Barbara, CA 93103

A Libertarian Career

A San Francisco area research institution seeks two professionals who want to combine their libertarianism with a career. Openings for:

1) an imaginative scholar for liaison with senior and younger scholars studying liberty across many disciplines;

2) an executive to handle publications, marketing, conferences, promotion, and fund raising.

Salary open. Send resume and salary history to Box 9Z, REASON.

taxes

(*Continued from p. 42.*)

the "liberals," special interests, and other State-worshippers are of course maniacally opposed to any such move. They know what it could do to their very special, privileged status.

On the good guys' side: Jerry Brown, who is staking his 1980 presidential aspirations on the issue; former Federal Reserve Chairman Arthur Burns; former Secretary of the Treasury William Simon; "Senator Sam" Ervin (now retired) of Watergate fame; and a host of US senators and representatives.

On the bad guys' side: predictably, Jimmy Carter and his raft of state functionaries; Nobel Laureate economist Paul Samuelson; former Council of Economic Advisors Chairman Walter Heller; political pundit John Kenneth Galbraith; most congressional leaders, Republican and Democratic; and most of the big establishment media (not one of *Time* magazine's Board of Economists, for instance, is in favor of a balanced-budget amendment).

Wafflers include Nobel Laureate economist Milton Friedman, who would rather see a spending-limitation amendment but will doubtless opt for a balanced-budget amendment in the face of nothing at all, and Alan Greenspan, former Council of Economic Advisors chairman, who in February and March was reported to oppose the balanced-budget amendment, then in April came out "with great reluctance" in favor of an amendment as "the only way in which we can permanently curb" deficit spending.

What will the final outcome be? The battle is still building. Congress, reluctantly kicked toward holding hearings on the balanced-budget concept, is adopting delaying tactics, hoping that the budget balancers will lose momentum. The Senate had one belated hearing in early March, then recessed for weeks. The House Judiciary Committee held the first hearings in late March, with 68 different measures before it, then quit until later in the spring.

The best bet is that the issue will be decided in the presidential campaign, specifically the Democratic primaries, where Carter and Brown will battle it out. It's hard to suggest that the struggle could ultimately be lost, but nastier things have happened. My personal guess is that within one and a half years we'll have a balanced-budget amendment presented for the states to ratify. The good guys' side will be immeasurably helped by the elevation of the debate to presidential campaign proportions. With tremendous media opposition, Jerry Brown will have a squeaker — victory or defeat — against Carter.

But the balanced-budget amendment will emerge victorious, either way.

—Tim Condon

letters

(*Continued from p. 9.*)

population explosion; but the alternative would have been to let them die like flies even when the means to save their lives was available.

John Hospers
Los Angeles, CA

Ten Stars

The April 1979 special issue is a ten-star hit with me! The articles on the theme of "Goodbye, Spaceship Earth" are spectacular. How exciting that someone is actually working towards the goal of developing freeport launch areas via the free-enterprise method. My only regret is that I am not personally qualified to be of assistance in this marvelous project. Hope it succeeds and makes everybody involved with it fabulously wealthy!

Clarica Laubscher
Hollywood, CA

Restitution Reconsidered

J. Roger Lee, in his May review of three books on justice (and, by implication, Dr. Hospers) missed the main point of the restitutionists, and put down a straw man instead.

Certainly intent should play a part in the judicial decision-making process. But

what is ignored is what part it should play. Barnett refers to the "culpable" offender. Nobody is held responsible—guilty—for an accident.

All the restitutionists suggest is that *after* responsibility has been lodged in the criminal, the decision of the magnitude—and, if possible, the nature—of the sanction to be imposed should be made primarily by considering restitution of the victim to be paramount.

Restitutionism doesn't solve all problems. The decisions of what are just compensations owed to the victims (or the victims' creditors, heirs, etc.), whether a minimum period of incarceration is advisable (to insure some punishment of a criminal rich enough to afford restitution out-of-pocket), whether restrictions should be imposed on the manner of repayment, etc., do not appear to be absolutes. They will probably be made through the same soul-searching and careful deliberation that has evolved into the common law, over a long period of time and through many cases.

Restitutionism doesn't tell a criminal what his crime will cost him; it suggests an approach to that determination, an approach which even allows retribution, utilitarianism, rehabilitation, deterrence, etc., all subject only to the guiding principle of victim-oriented justice.

After all, if the victim is ignored, is justice ever even attempted? Because it is the existence of a victim which determines that a crime has taken place. If libertarians don't admit of victimless *in*justice, how can we admit of victimless *justice*?

Dan Karlan
Englewood, NJ

Mr. Lee replies: (1) I've long thought that restitution is an important part of the proper treatment of criminals (see *The Libertarian Alternative*, ed. T. R. Machan, p. 65). What I argue against Barnett and Hagel is that restitution cannot be the purpose of punishment. To prove that, one need only cite the example which Karlan provides of the rich man who has made restitution but not been punished. (2) Under negligence law, we do hold people responsible for accidents.

Private Solution?

In the May Trends item on saving the environment privately, Mr. Poole writes about the Nature Conservancy. It sounds fine, but check it out in detail. One of their people was in my Toastmasters' Club for a while, and they were in the process of buying a big chunk of private land along the Fort Lauderdale beach in order to resell it at a substantial profit to the city for recreational purposes.

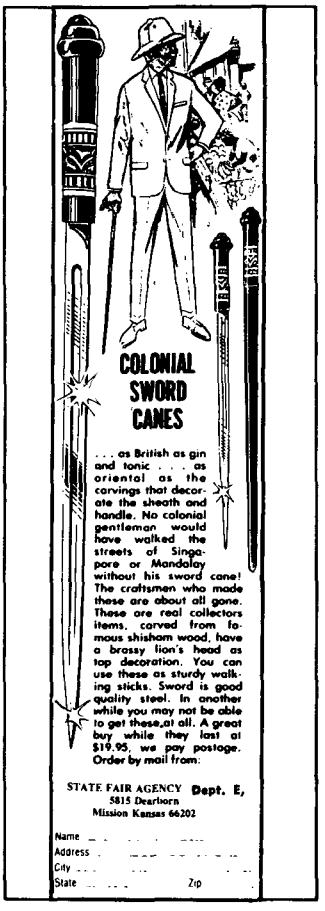
Find out how many times they've sold to governments. In this case, the city wasn't ready to buy when the owner was ready to sell, and then it used its political pressures to get the city to take over in a more leisurely fashion.

Thomas S. Booz
Plantation, FL

Social Security

The February issue of REASON carried an extremely adverse criticism of the Social Security system by Warren J. Shore ["The Great 1979 Social Security Heist"]. Although he was quite correct in some of the points that he made (and even, in two instances, understated his argument), certain errors in fact and in computation were made. Let us examine these points in turn.

1. *Employees of the Social Security Administration "want no part of the program they administer."* While it is true that the organizations of federal employees have such a view, the top SSA administrative and program planning officials (including the actuaries) have always favored universal coverage.


COLONIAL
SWORD
CANES
. . . as British as gin and tonic . . . as oriental as the carvings that decorate the sheath and handle. No colonial gentleman would have walked the streets of Singapore or Mandalay without his sword cane! The craftsmen who made these are about all gone. These are real collectors items, carved from famous shisham wood, have a brassy lion's head as top decoration. You can use these as sturdy walking sticks. Sword is good quality steel. In another while you may not be able to get these at all. A great buy while they last at $19.95, we pay postage. Order by mail from:
STATE FAIR AGENCY Dept. E,
5815 Dearborn
Mission Kansas 66202
Name
Address
City
State
Zip

NEW! You can... CONTROL YOUR SPENDING ...with Check Master

A BRAND NEW DIMENSION IN MONEY MANAGEMENT. YOU CAN EASILY DETERMINE HOW AND WHERE YOU SPEND YOUR MONEY.

Check Master is a unique product that helps individuals, investors, and small businessmen handle their finances with minimal effort. Efficiently. Accurately. Easily.

Check Master is the first personal financial recordkeeping system designed expressly for use with a pocket checkbook. Professional multicolor forms ensure that you will never rewrite check transactions or repetitive entries. The time you save on income taxes and bank reconciliation alone will justify your purchase. Check Master is a proven product that has won the approval of both accountants and bankers.

OUTSTANDING VALUE-
Knowing where and how your money is spent will help you save hundreds of dollars each year. And, if you are an investor or small businessman, you can save thousands of dollars. The cost is only $12.95 — less than 4¢ per day for a system that can save you many times its low cost the first month you use it! What's more, it's tax deductible.

NO RISK GUARANTEE
We are so convinced that Check Master will save you money and time that we take all the risk. Use Check Master for 30 days. If it doesn't do everything we say it will, send back the unused portion. We'll send your money back to you.

ORDER TODAY—
Right now is the time to get control of your money. Results are achieved the first month. Check Master offers significant advantages over any other system and is available only through this offer. You can manage your money and control your spending by mailing your order today. *Patent pending

Mail to: Check Master
Suite 206 Dept. R-2
1611 S. Pacific Coast Hwy.
Redondo Beach, CA 90277

☐ **Yes,** I want to save money and time with Check Master. Please send me ____ copies of the Check Master system at $12.95 each. (Add $1.00 per order for postage and handling. California residents add 6% tax.)

☐ Check enclosed.
Charge my ☐ VISA ☐ Master Charge
#_____ exp. _____
Name _____
Address _____
City _____
State _____ Zip _____
Money back satisfaction guaranteed.

2. *"Maximum family death benefits down nearly 20 percent" as between 1978 and 1979.* Actually, in some instances the decrease was more than this! As between death in December 1978 and in January 1979, the decrease was 27% for persons aged 29 or under, although only 8% for those aged 50 or over....

3. *Proper calculation of value of benefits.* Mr. Shore is indeed quite correct that the SSA figures of *total* benefits are erroneous as to their *value.* Correct actuarial practice is to discount future payments by an *appropriate* interest rate. However, his use of 5½ percent interest is in error; such a rate is too high, because it involves the effect of inflation. If inflation is to be considered, then the effect of the automatic-adjustment provisions (for changes in the CPI) should be taken into account. Using static benefits, an interest rate of 3 percent is appropriate (being the "real" interest rate, under noninflationary conditions); if inflation were considered, the higher applicable interest rate would—as it so happens—exactly offset the effect of the automatics. On a 3 percent interest basis, the value of Williams's benefits is $235,636 (not $175,275 as per Shore, which is slightly in error for a 5½ percent interest rate, because the correct figure is $177, 819), so that the overstatement of the SSA figure is 55 percent (not 107 percent)....

4. *Overstatement of value of combined death, disability, and retirement benefits.* Shore is quite correct that these values (even if properly obtained by discounting at interest) cannot be added together, because all three events or risks cannot occur to one and the same person!

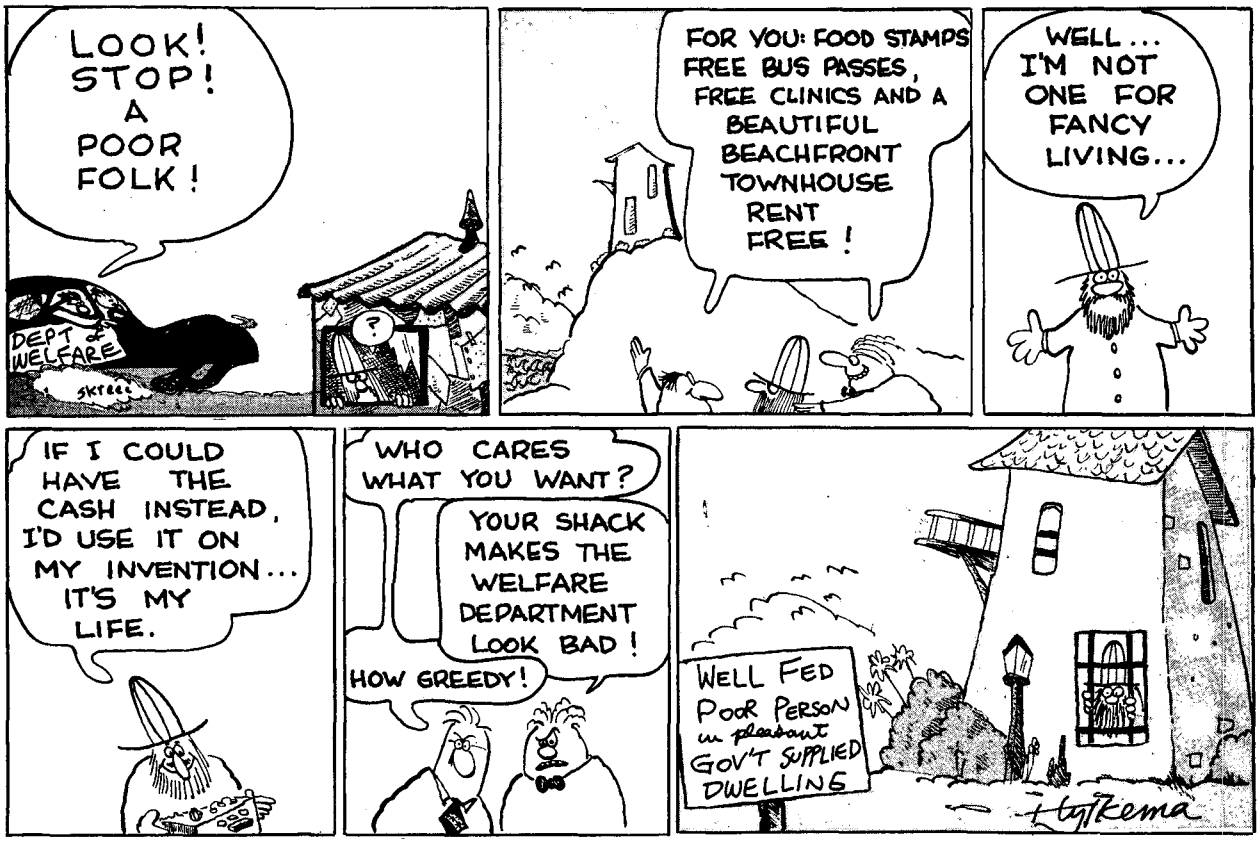
5. *"The 31 percent Social Security tax increase for 1979 is the biggest annual payroll tax increase in history."* The 31 percent increase was only for the person earning at least $22,900 in 1979 (and at least $17,700 in 1978); the person earning $17,700 or under in 1978 and the same amount in 1979 had an increase of only 1¼ percent. Moreover, much larger increases for *all* persons occurred in earlier years—e.g., 50 percent in 1950 and 12½ percent as recently as 1973....

6. *Social Security taxes are far more than the survivor protection is worth.* Shore states that a $630 annual premium would purchase the survivor protection that "costs" $2,141.70 under Social Security. The $630 figure is too low, because the true face amount of insurance is understated (see item 3), but the rate per $1,000 used is probably too high. The important point, however, is that the potential value of the disability and retirement benefits must *also* be considered. Although it is improper to add the *values* of the three types of benefits together, it is quite proper to add together the risk premiums....

7. *"Social Security is simply not good protection and is overpriced."* To some extent (but by no means completely so), as in any type of insurance, some people get more benefits under Social Security than they have paid in taxes—and vice versa. The real test of whether an insurance or benefits plan is overpriced is the proportion of the income that is spent for benefits, as against the proportion going for administrative expenses and overhead. Under Social Security, over the years (and currently), somewhat less than 2 percent of the tax income has been used for administration, and the other 98 percent has been used (or is available to be used) for benefits, certainly not a "bad buy."

8. *"The employer tax belongs to the employee."* Shore argues that the employer tax paid on an individual's wages belongs to that individual. This is by no means necessarily so. It is true that, in the aggregate, the employer taxes are part of employee remuneration, but they are not necessarily individually assignable. If there were no Social Security system,

rudebarbs by Randall K. Hylkema


LOOK! STOP! A POOR FOLK!
DEPT of WELFARE
SKREEE
FOR YOU: FOOD STAMPS FREE BUS PASSES, FREE CLINICS AND A BEAUTIFUL BEACHFRONT TOWNHOUSE RENT FREE!
WELL... I'M NOT ONE FOR FANCY LIVING...
IF I COULD HAVE THE CASH INSTEAD, I'D USE IT ON MY INVENTION... IT'S MY LIFE.
WHO CARES WHAT YOU WANT?
YOUR SHACK MAKES THE WELFARE DEPARTMENT LOOK BAD!
HOW GREEDY!
WELL FED POOR PERSON in pleasant GOV'T SUPPLIED DWELLING
Hylkema

there is no assurance that the employer would increase the employee's wages by that amount.

9. *"The Social Security Administration employs more than 50 full-time actuaries and many others on a part-time or consulting basis."* The SSA has a capable staff of no more than about 20 full-time actuaries (defined as being members of the Society of Actuaries)—who cannot be blamed for the incorrect data referred to by Shore—and few, if any, part-time and consulting ones.

Robert J. Myers
Professor of Actuarial Science,
Temple University
Chief Actuary, SSA, 1947-70

classifieds

ANNOUNCEMENTS

EASTERN WASHINGTON LIBERTARIANS—Interested in forming a local LP chapter? We will soon be having a meeting in Spokane with the object of creating such a group. Anyone in the area who would be interested in attending should contact Jay Palmer at 483-3519 evenings.

A SEATTLE INTENSIVE by Nathaniel Branden. JUNE 14-17, "SELF-ESTEEM AND THE ART OF BEING." Write Patricia Artz, Producer, 1258 Weiland St., #12B, Kent, WA 98031, or call 206/852-0585.

CAR-CON '79—Joint North and South Carolina Libertarian Convention, June 29-July 1, Charlotte, NC. Featuring economist David Friedman, education critic John Holt, Michael Emerling workshop, Chris Hocker, Dallas Cooley, Presidential contenders, film festival, MORE. Info, send SASE: P.O. Box 3280, Charlotte, NC 28203.

PRO-LIFE? LET US KNOW! Libertarian pro-life caucus forming. L.P., non L.P. members wanted. Contact: LIBERTARIANS FOR LIFE, 13424 Hathaway Drive #1, Wheaton, MD 20906, 301/460-4141. (Libertarian pro-life literature: $1.00. "...thoughtful and persuasive..."—Joseph Peden, Publisher, *Libertarian Forum*.)

BOOKS

UNUSUAL BOOKS. Crime, police manuals, fake ID, locksmithing, concealing valuables, black market opportunities, investigative and undercover techniques, survival, retreating, self-reliance, life extension, alternatives to monopoly and bureaucracy, much more! We have the best selection of self-liberation books ever offered for sale. Unique catalog $1.00. Loompanics, Box 264, Mason, MI 48854.

LIBERTARIANS, ECONOMISTS, Tax Rebels, Philosophers, Historians, Anti-Politicians, Conspiriologists, Constitutionalists, Nutritionists, Iconoclasts, Heretics and others all have books in the free catalog from LIBERTY Bookstore, 184 N. Sunnyvale Ave., Sunnyvale, CA 94086. Include $1.00 for $2.00 coupon on $10.00 order.

FINANCIAL

BUY SILVER COINS at face value. Complete details $2.00. Satisfaction guaranteed. Bannon, Dept. R-4, P.O. Box 942, Pittsburgh, PA 15230.

PROFITS FROM RARE COINS easy if you know how. The NUMISCO LETTER combines specific buy and sell recommendations with practical "how-to-do-it" advice. Backed by careful research, it guides the investor step-by-step through the fascinating world of numismatics. For a copy of THE BEST OF THE NUMISCO LETTER, send $1.00 check or money order to the NUMISCO LETTER, A-640, 175 W. Jackson Blvd., Chicago, IL 60604.

$ELL YOUR OWN HOME without a broker and $ave thou$and$! Free information. Real Estate Systems-R, Box 303, Minneapolis, MN 55440.

PERSONALS

SCIENTIFIC PERSONALITY and intelligence testing offers revealing facts, personal insights. Know your I.Q., personality traits, strengths, weaknesses. Comprehensive—complete. A fantastic guide for self-improvement and understanding. Free information. Psychometric Services, P.O. Box 16500, Ap-104G, Houston, TX 77022.

FREE—THE FIFTH AMENDMENT tax return explained. Send SASE to Rev. Clarkson, 515 Concord Ave., Anderson, SC 29621.

BECOME AN ORDAINED MINISTER and start your own legally recognized church. For details send $2 to: Free Will Universal Life Church, P.O. Box 30307, St. Paul, MN 55175.

BEAT TAXES! Stop paying withholding, Social Security, property taxes. "TAX WARS" tells how! Details 25 cents. Eden Press, Box 8410-RT, Fountain Valley, CA 92708.

ATHEIST-LIBERTARIAN FAMILY with school-age children seeks information about the existence of any libertarian community anywhere in the world. We wish to find a place to live where we would have absolutely no need to compromise in even the slightest degree with a government regarding our children's education. Box 1260, Sandpoint, ID 83864.

NEED NEW ID? Change name/age. Cover past. Get degrees, better jobs, new credit. Details 25 cents. Eden Press, Box 8410-RD, Fountain Valley, CA 92708.

LIBERTARIAN MAN, 23, Northwest, desires contact with similar woman in teens, 20's or 30's. Interests include marathon running, skiing, swimming, classical and modern music, computers, games, times of solitude, reading and just talking to people with similar values. Nobody is too far away for me! Jay Palmer, E. 3514 Montgomery Ave., Spokane, WA 99207.

PRODUCTS

WARNING: THE GOVERNMENT Has Determined That Freedom Is Dangerous To Your Health. Bumper sticker bearing above caption, 3 x 12, red on white, durable, removable vinyl. Two stickers for $1.00 from E. C. Blackwell III, P.O. Box 25132, Raleigh, NC 27611.

PORCUPINE CARDS and other Animals. Let me Custom Handletter your favorite poem. Free brochure showing and listing details. SASE to Art Etc., 1529 Plaza del Amo, Torrance, CA 90501.

FLATULENT? Read Ben Franklin's historic, long-suppressed essay of 1780 on (believe it or not) farting. Hilarious! Suitable for framing. $3. "Franklin Essay," Box 69, Carrboro, NC 27510.

DON'T COMMIT SUICIDE: IT'S ILLEGAL TO DESTROY GOVERNMENT PROPERTY, SUPPORT FREE TRADE—SMUGGLE, over 50 slogans for buttons and self-adhesive stickers. Free catalog. SLL, Box 4, Fullerton, CA 92632.

STATE OF THE ART...Classical Music... Free Catalog, if you are interested in the purest, natural sound classical music in pre-recorded cassettes. EKR Classics, GPO Box 1977R, NYC 10021.

PUBLICATIONS

WEEKLY ECONOMIC PROJECTIONS with Charles Sydney; rewarding radio commentary. Subscribe to the expanded Ernie Ross Report. $25/year. 2141 Hawkins Heights Blvd., Eugene, OR 97405.

FREE! World's most complete catalog of Ruling Class/Conspiracy Scholarship. Sample *Conspiracy Digest* $2.95. Alpine, Box 766, Dearborn, MI 48121.

ECONOMIC DISASTER, WAR, INFLATION, gold, silver, energy "crisis," jobs, world affairs, earthquakes, weather, gas, famine, food prices, nutrition, science, medicine, politics, UFO's, discoveries, polar shift, Atlantis, etc. It's all in the candid, diversified, semi-monthly newsletter-digest with something for everyone. For sample copy send $1.00 to: THE CRYSTAL BALL, Dept. R-1, P.O. Box 4080, Torrance, CA 90510.

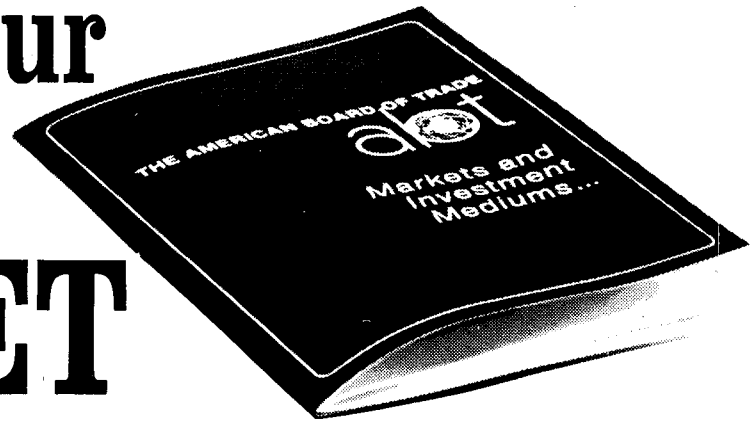
ECONOMIC NEWS AND COMMENT the way you wish the media would report them: 100% free market. Excellent for introducing your friends to rational economics. Phone *Bramble Coin* for a complimentary copy of Rick Maybury's newsletter. Toll free: 800/248-5952.

LIVING FREE, an exciting new journal explores self-liberation techniques, in the tradition of VONU LIFE and INNOVATOR. Free yourself first. For a copy send $1.00 to Jim Stumm, Box 29, Hiler Station, Kenmore, NY 14223.

RATES: 25 cents per word, $5.00 minimum. For REASON box number instead of personal address, add 50 cents per insertion. Forwarding postage paid by advertiser. ***All orders must be accompanied by payment,*** and copy should reach us by the first day of the second month preceding the month of issue (e.g., advertising for the March issue, which is mailed in early February, should reach us by Jan. 1.)

THE CLASSIFIED AD DEADLINE FOR THE SEPTEMBER ISSUE IS JULY 1st.

send for your FREE BOOKLET



"ABT Markets and Investment Mediums"

A special invitation to you from the first exchange and marketplace in the U.S. devoted exclusively to the needs and interests of average traders and investors at the grass roots level . . .

"ABT MARKETS and INVESTMENT MEDIUMS" is a comprehensive but easy-to-understand booklet describing the basic approaches that you can use to take advantage of the unusual profit potential inherent in the unique and exciting markets and investment mediums offered by The American Board of Trade.

These ABT markets and investment mediums are geared exclusively to the financial needs and interests of average grass roots investors and business persons, who are seeking worthwhile returns on investment and risk capital and desire to bypass and eliminate the "go-go" and "rah-rah" concepts and methods that so often lead to losses and setbacks in the traditional world of finance.

If you are one of these persons. . .and you want to invest and/or speculate with a portion of your capital. . .the ABT markets and investment mediums may be your approach to trading and investing profitably, and safely.

GENERAL ADVANTAGES OF TRADING and INVESTING WITH THE ABT

As you may know, The American Board of Trade was founded in New York in 1969 as an alternative to the Wall Street octopus whose tentacles always seemed to be squeezing the average investor and businessman out of the financial action. ABT was established as a marketplace through which ALL investors, small-to-moderate as well as large, could effectively employ their capital in a wide variety of sound trading and investment opportunities.

In its customers' relations, marketmaking functions and fiduciary responsibilities, the record of The American Board of Trade since its founding in 1969 **is unmatched by any other exchange or marketplace in the U.S.**

The FREE BOOKLET fully describes the operations of The American Board of Trade and also lists and features detailed write-ups of-

THE ABT MARKETS INVESTMENT MEDIUMS AND SERVICES

which have been developed specifically to serve average investors, traders and business persons. These carefully planned markets, investment mediums and services have attracted nationwide attention among seasoned professionals. . .beginners . . .and general investors. Here's a quick listing of the unique ABT areas of investment finance that attract such attention and which are reviewed in detail in the FREE BOOKLET, "ABT MARKETS and INVESTMENT MEDIUMS":

- ☐ ABT COMMODITY & FOREIGN CURRENCY OPTIONS
- ☐ ABT SPOT GOLD BULLION MARKET
- ☐ ABT SPOT SILVER BULLION MARKET
- ☐ ABT SPOT SILVER COIN MARKET
- ☐ ABT SPOT & FORWARD FOREIGN EXCHANGE MARKET
- ☐ SUPERVISED TRADING PROGRAMS "FX-1" AND "FX-2"
- ☐ SUPERVISED DOUBLE OPTIONS TRADING PROGRAM "FX-0"
- ☐ 3-MONTH & 6-MONTH ABT COMMERCIAL PAPER
- ☐ 3-MONTH & 6-MONTH U.S. TREASURY BILLS
- ☐ NEW ENGLAND FARM EQUITY FINANCE
- ☐ MEMBERSHIP SEATS ON THE ABT
- ☐ PUBLICATIONS AFFILIATED WITH ABT: "GOLD & SILVER LETTER". . . "FOREIGN EXCHANGE LETTER". . . "JOURNAL OF INVESTMENT FINANCE". . ."ABT TRADING & INVESTING GUIDELINES"

SEND TODAY FOR YOUR FREE COPY OF "ABT MARKETS and INVESTMENT MEDIUMS"

We believe you will find the booklet, "ABT MARKETS and INVESTMENT MEDIUMS" one of the most interesting and unusual presentations ever published in the fields of specualtion and finance. You are invited to send for your complimentary copy by filling in and mailing the convenient coupon below. Your booklet will be mailed promptly by First Class Mail.

Please send me, via First Class Mail, a copy of the free booklet, "ABT MARKETS and INVESTMENT MEDIUMS," listing and describing the markets, investment mediums and services offered by The American Board of Trade, Inc.

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

abt **THE AMERICAN BOARD OF TRADE, Inc.**
286 Fifth Ave., New York, N.Y. 10001

RM-1